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Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: National Exchange Carrier Association, Inc.
2006 Modification of Average Schedules, WC Docket No. 05-347

Dear Ms. Dortch:

Attached is NECA's *2006 Modification of Average Schedules*. This filing is made in compliance with section 69.606 of the Commission's rules, 47 C.F.R. § 69.606, and contains proposed revisions to formulas used for average schedule interstate settlement disbursements. These average schedule formula revisions are proposed to become effective for a one-year period beginning on July 1, 2006.

In accordance with the Commission's rules, this *2006 Modification of Average Schedules* has been filed electronically in the above-referenced docket.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Askoff", is written over a light blue horizontal line.

Attachment:

2006 Modification of Average Schedules

2006 MODIFICATION OF AVERAGE SCHEDULES

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SUMMARY

The National Exchange Carrier Association, Inc. (NECA) herein proposes modifications to current interstate average schedule formulas, for Federal Communications Commission (FCC or Commission) approval. As required, these formulas are developed in accordance with Commission rules, and are designed to "simulate the disbursements that would be received . . . by a [cost study] company that is representative of average schedule companies." These modifications are scheduled to be effective from July 1, 2006 to June 30, 2007.

Each year, NECA conducts a study of financial data and cost allocation information obtained from a scientifically-selected sample of small average schedule companies and representative cost companies to determine whether modifications to the formulas are needed. Where such modifications are found to be necessary due to changes in company cost characteristics, expected demand levels, FCC rules, or network technology and related operational factors, NECA annually proposes revisions to the settlement formulas in accordance with the Commission's Part 69 rules.

Major factors driving this proposed modification to average schedule formulas include growth in cost of subscriber and interexchange cable facilities, reduction in some access demand, significant increases in special access services, as well as changes in technology and network configurations, and improvements to the structures of the common line and special access formulas in response to these changes.

Impacts of these formula changes on individual average schedule companies will vary, depending on each company's size and demand characteristics. Overall, assuming demand levels remain constant

year-to-year, NECA calculates that the majority of companies would have settlement increases, due primarily to increases in certain components of the common line and special access formulas associated with cost changes and network upgrades. On the other hand, a number of other study areas will experience overall decreases in settlement rates, generally due to reductions in other components of these formulas. In a few instances, these reductions are expected to be significant.

NECA will send a letter previewing the proposed average schedule formulas to all average schedule companies. This notification presents preliminary formula impacts and offers explanations for the proposed changes. This notification also provides information that will allow each average schedule company to project settlement amounts under the revised formulas on its own or with the assistance of NECA regional staff.

I. INTRODUCTION

The National Exchange Carrier Association, Inc. (NECA)¹ herein proposes modifications to current interstate average schedule formulas, for Federal Communications Commission (FCC or Commission) approval. These modifications are scheduled to be effective from July 1, 2006 to June 30, 2007.

A. Background

Exchange Carriers (ECs) that participate in NECA's access charge pools receive compensation for providing interstate access services either on the basis of their actual costs or a set of interstate average schedule formulas. Cost separation studies, performed in accordance with Parts 32, 36, 64, 65 and 69 of the Commission's rules, involve extensive data collection, analysis and reporting. The Commission has recognized that it is inefficient to require cost separation studies for all companies. Not all ECs have the resources available to perform these studies. Commission rules accordingly permit certain ECs to receive interstate access compensation (or "settlements") based upon a set of "average schedule" formulas developed by NECA.² The average schedule formulas are designed to "simulate the disbursements that would be received . . . by a [cost study] company that is representative of average schedule companies."³

¹ NECA administers interstate access charge tariffs and revenue pools on behalf of member ECs, and the preparation and filing of average schedule formulas, in accordance with the Commission's Part 69 rules (47 C.F.R. Part 69).

² Compensation to ECs using these average schedule formulas is based on an EC's number of access lines, access minutes and other demand variables.

³ See 47 C.F.R. s 69.606(a). In lieu of the term "cost company", the text of section 69.606(a) references disbursements received "pursuant to Section 69.607" of the Commission's rules. That section, originally intended to govern payment of common line settlements to NECA pool participants, was waived by the Commission in 1985 to permit NECA to operate its pools in accordance with prior industry settlement procedures. See MTS and WATS Market Structure, CC Docket No. 78-72, Phase I, Order Granting Waiver, 98 FCC 2d 327 (1984); MTS and WATS Market Structure, CC Docket No. 78-72, Phase I, Order Granting Waiver, CC 2718 (rel. Feb. 22, 1985); MTS and WATS

Settlements made on the basis of average schedule formulas benefit both ECs and interstate ratepayers. The average schedule method substantially reduces administrative costs for these smaller ECs by eliminating the need to conduct detailed accounting and engineering cost studies required of cost companies. This cost benefit, in turn, benefits ratepayers.⁴

Section 69.606 (b) of the Commission's rules requires NECA either to file revised formulas on or before December 31st of each year, or to certify that no such revisions are necessary.⁵ Accordingly, each year, NECA conducts an extensive study of cost and demand data to determine if revisions to the average schedule formulas are warranted. NECA's annual study involves selecting a statistical sample of both cost and average schedule companies and collecting accounting and demand data from the selected companies.⁶ NECA then develops mathematical models ("allocation factor models") that describe how representative cost companies allocate their total costs to the interstate jurisdiction and to individual access charge categories.

The study also projects cost and demand data, obtained from sample average schedule companies, to account for growth. NECA then applies the allocation factor models derived from representative cost companies to sample average schedule company total company account data. This enables

Market Structure, CC Docket No. 78-72, Phase I, Order Granting Waiver, CC 4710 (rel. May 23, 1986). The Commission has since routinely evaluated NECA's proposed average schedule formulas on the basis of whether they simulate representative cost company disbursements.

⁴ See Revisions to the Average Schedules Proposed by NECA on October 3, 1988, *Memorandum Opinion and Order*, 4 FCC Rcd 2804 (1989) (1989 Order).

⁵ 47 C.F.R. § 69.606(b). The current formulas have been in effect since July 1, 2005.

⁶ Statistical sampling is commonly used as a cost-effective method of deriving estimates for a population. A properly designed sample will provide an accurate representation of the entire population, but at a fraction of the cost of examining the entire population.

NECA to determine the interstate access portion of average schedule company total costs following methods prescribed by the Commission for cost companies, thereby simulating the effects of performing interstate cost studies for these companies. Finally, NECA develops formulas that relate sample average schedule company interstate access costs to various commonly-used demand units (such as access lines or access minutes) or combinations of demand units and other factors (such as lines per exchange). In developing these average schedule formulas, NECA carefully analyzes different statistical models and selects the model that has the best fit to actual data. Upon Commission approval, these formulas are used by NECA to compute interstate settlements for average schedule companies that simulate cost study results.

In preparing proposed formula revisions, NECA receives valuable assistance from an Industry Average Schedule Task Group. This group consists of EC representatives sponsored by industry associations (*i.e.* the National Telephone Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies and the United States Telecom Association). The Task Group meets several times each year, reviews the steps taken in developing the proposed formulas, advises NECA regarding the development of procedures for administration of the formulas, and assists the NECA Board of Directors in evaluating final proposed formulas.

Task Group participation assures that average schedule companies are able to participate fully in the development of the average schedules, and also have an opportunity to provide input to NECA regarding the ways in which changes in their networks can be reflected in the settlement formulas.

B. Overview of This Filing

Each of the steps followed in NECA's study are explained in detail in this Filing.⁷ Section II describes the statistical sampling methods that NECA used in its data collection for settlement formula development. Section III contains a description of the sources and types of data NECA collected from cost and average schedule companies. Section IV explains the methods NECA used to develop cost allocation factor models from sample cost company data. Section V describes how NECA projected growth in historical cost and demand data, to develop cost and demand data applicable to the period the proposed formulas will be in effect. Section VI explains how NECA calculated Interstate and Access Category costs by account for each sample average schedule study area. Section VII explains how NECA develops the "best fitting" mathematical formulas for use in determining settlements, and explains how the proposed formulas will affect average schedule companies. Section VIII lists the current and proposed average schedule formulas. Finally, the attached appendices contain all of the data used in NECA's study. These data enable the Commission and interested parties to verify NECA's Study results.

The 2005 Filing utilizes a five-year sampling design developed in 2003 (2003 Design). This Design selects a five-year sample, and then assigns members of the sample to data collection years. The 2003 Design takes extra precautions to ensure that additional "small" average schedule study areas

⁷ The instant filing is referred to herein as the "2005 Filing" and the data collection and analyses upon which this filing is based are referred to as the "2005 Study." The settlement formulas proposed herein are referred to as the "2006 Schedules." References made herein with respect to previous years' filings, studies and settlement formulas use similar nomenclature.

are included.⁸ The design entails defining stratification attributes, determining sample size, allocating the sample to strata, sample selection and assigning study areas to specific data collection years. Section II of this filing explains the 2003 Design in detail. Additionally, Section II explains the use of a supplemental sample for average schedule study areas with non-homogenous cost per loop among companies with low values of loops per exchanges. This supplemental sample assists in producing more accurate and reliable average schedule settlement formulas.

C. Effects of Proposed Modifications on Average Schedule Companies

1. Formula Changes

Changes in individual formula levels result from the effects of cost company allocation changes, and increases in cost, and changes in demand levels. Overall, NECA proposes formula changes that would reduce settlement rates by about 1.7 per cent to average schedule companies overall (assuming constant demand).⁹ In this filing, NECA proposes structural changes to the common line and special access formulas. As discussed in detail in section VII of this Filing, these structural changes are made necessary by changes in relative cost that have developed over time among particular groups of companies, which will be targeted well by the settlement formulas only if they include new components proposed in this study. As is often the case when formula structures are altered, some companies experience significant settlement changes as a result. In

⁸ “Small” study areas are defined as those with fewer than 200 access lines per exchange. This is in response to a Commission concern first brought to NECA’s attention in December 1997. *See* National Exchange Carrier Association, Inc. (NECA), Proposed Modifications to the 1997 Interstate Average Schedule Formulas and Proposed Further Modifications to the 1997-98 Interstate Average Schedule Formulas, AAD 97-2, AAD 97-109, *Order on Reconsideration and Order*, 13 FCC Rcd 10116 (1997).

⁹ Settlement levels may vary from this estimate, of course, based on actual demand levels experienced by individual companies during the period the proposed formulas are in effect.

this case, the proposed formula changes are expected to produce significant settlement reductions for some of the larger study areas, and smaller settlement increases to many smaller study areas.¹⁰ Another factor affecting settlements is the current trend of decreasing access minutes, which contributes to overall higher unit costs that are reflected in the proposed formulas.

2. Effects on Individual Average Schedule Companies

Effects of these formula changes on individual average schedule companies will vary depending on each company's size and demand characteristics. A summary of company changes by access line size is included in Section VII. Overall, NECA calculates that most companies are expected to experience small increases in settlements. About 22 study areas will experience increases between 10% and 15%, and one study area is projected to experience an increase of 16%. Three of the larger study areas are expected to experience settlement decreases greater than 10%, with the largest decrease expected to amount to 14.7%.

Because of the potentially significant financial impact of some of these decreases, NECA includes a transition plan in Section VII.O of this filing. Should the Commission determine that transitional support is needed to give carriers time to absorb these effects, NECA recommends that the Commission consider using these methods.

¹⁰ Because of the significance of overall settlement reductions to some companies, NECA has committed substantial resources this year to working with carriers to explain, review and reassess components and results of this study. To assist the Commission and interested parties in their review of this filing, NECA is including extra data files that show the revenue requirements developed by NECA in this study for each sample company. These files are of particular assistance in evaluating the need for proposed revisions to average schedule formula structures.

D. Communications with Average Schedule Companies

NECA will notify all average schedule companies of the potential effects of these proposed formula changes. This notification presents preliminary formula impacts and explanations for the proposed changes. This notification also provides information that allows each average schedule company to project revised settlement amounts on its own or with the assistance of NECA regional staff. In addition, NECA will update average schedule training and other materials routinely supplied to average schedule companies to reflect the new settlement formulas.

Additionally, NECA has worked throughout the year with its Industry Average Schedule Task Group, and with many of the larger carriers who will be negatively affected by proposed changes. This work included examination of proposed methods and justifications, data studies, and extensive testing to assure that study methods were effective.

II. SAMPLE SELECTION

A. Introduction

This section describes statistical sampling¹ methods used by NECA in its annual data collection program for average schedule formula development. The sampling design identifies the sample cost and average schedule companies to be used for collecting accounting and demand data for a given year. A well-designed sample provides a desired level of precision and reliability and eliminates the need to collect data from the entire population of cost and average schedule companies. By employing statistical sampling methods, NECA and pool members save time, labor, and money without sacrificing accuracy.

This average schedule study uses a five-year sample design, introduced in the 2003 Data Collection year. This sample design provides for samples of average schedule and cost study areas to supply data to NECA over the five-year period from 2003 to 2007.

Large and small ECs are distinguished according to group designations developed by NECA for use in its annual Access Tariff Filing.² According to this classification scheme, group A includes all Regional Bell Operating Company study areas and study areas of other large holding companies not in the NECA pools. Group B includes larger cost study area members of the NECA pools, many of which are affiliated with other study areas through holding companies.³ Because of their size and operating characteristics, group A and B companies are not representative of average schedule

¹ Statistical sampling is a procedure used in analytical studies to provide an estimate, with an acceptable precision, of the true value of a criterion variable underlying an entire population, but at considerable savings in time and money.

² See, e.g. National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 1077, filed June 16, 2005 at Vol. 2, pp. 2 -3 (2005 Annual Access Tariff Filing).

³ Group B companies include: ALLTEL, Century, and Puerto Rico Telephone. Some study areas owned by holding companies in the group are included in group D because they utilize average schedules.

companies and therefore are not asked to supply data for average schedule formula development. Group C contains smaller cost study areas that are similar to average schedule companies, and group D consists of all average schedule study areas.

In 2003, NECA developed a five-year sampling design, similar to the 1998 five-year sampling design, to draw samples for each of the five years from 2003 to 2007. In this design, NECA continued to ensure that additional ‘small’ average schedule study areas were included.⁴ ‘Small’ study areas were defined as those with fewer than 200 access lines per exchange. The design entailed defining stratification attributes, determination of sample size, and allocation of the sample to strata, sample selection and assignment of study areas to specific data collection years. The data used to design the sample included Traffic Sensitive pool participation status, exchange counts, provision of line haul, provision of host/remote facilities, provision of special access services, provision of tandem access facilities, and total net earned interstate access revenues.

Section B describes features of NECA’s 2003 five-year sampling design that meet sample data needs and enable NECA to combine samples from two consecutive years to improve precision.

Section C defines the nine attributes of a study area that were used for an initial classification of the average schedule population into 34 classes and the cost company population into 49 classes. A special size criterion was included in the average schedule company classification method, to enable

⁴ In a December 1997 order, the Common Carrier Bureau directed NECA to work with its staff to assure that sample data used by NECA accurately reflects all sizes of average schedule companies. *See NECA Proposed Modification to the 1997 Interstate Average Schedule Formulas and Proposed Further Modifications to the 1997-1998 Interstate Average Schedule Formulas*, AAD 97-109, *Order on Reconsideration and Order*, 13 FCC Rcd 10116 (1997) (*December 1997 Order*). The Accounting Safeguards Division also expressed concern that NECA’s sample data was not representative of companies of all sizes in a June 1998 order. *See NECA Proposed Modifications to the 1998-99 Interstate Average Schedule Formulas*, AAD 98-20, *Order*, 13 FCC Rcd 17351 (1998) (*June 1998 Order*).

inclusion of proportionately more of the smaller average schedule study areas.

Section D describes criteria used to group classes of study areas into sampling strata. Classes that include only a few study areas were combined with others, and classes that contain high variations in study area revenues were split into subclasses by revenue size. This procedure resulted in 13 cost study area strata and 14 average schedule study area strata. Stratification of the population is done to assure that the sample will provide the desired precision level and meet specialized data needs.

Section E describes the allocation of the five-year sample size among different strata. NECA uses the “Neyman Allocation” method to determine the optimum number of study areas to be sampled from each stratum. In some strata, the optimum sample size equals or exceeds the total stratum size. In such strata, data will be collected at least once from every study area over the five-year period, and from some more than once. In other cases the optimum sample size is less than the total stratum size. In such strata, not all study areas will submit data during the five-year period.

In Section F, NECA explains the determination of sample size, drawing upon statistical formulas found in sampling textbooks. The stratified sample with the optimum allocation⁵ of the sample among strata helps produce statistical results with a desired level of precision at a fraction of the resource cost of examining the entire population. NECA demonstrates that its annual sample size of approximately 100 cost and 100 average schedule study areas is sufficient to ensure that the proposed formulas provide results with the desired level of precision.

Section G explains random sampling of study areas from each stratum using probabilities of selection proportional to the size of each study area. This procedure, called Probability Proportional

⁵ The Neyman Allocation is the special case of the optimum allocation.

to Size sampling (PPS Sampling), assigns a greater probability of selection to larger study areas. Section H explains the sample weight calculation. These weights are applied to the sample data to provide parameter estimates for the average schedule population.

Section I describes the assignment of sample study areas from each stratum to sample years. This technique ensures that data from the larger study areas will be included in every average schedule study without having the same study area included in the sample for two consecutive years.

Section J depicts the supplemental sample for average schedule study areas with non-homogeneous cost per unit among companies with low values of lines per exchange. This supplemental sample helps to produce accurate and reliable average schedule settlement formulas. This section discusses why the supplemental sample is needed and how it is developed, and presents details on the supplemental sample.

Data that underlie the 2005 Study are from the annual and supplemental samples of study areas collected in 2003 and 2004. This section of the filing produces the list of sample study areas, listed in Appendix A1, and their sample weights, displayed in Appendix D1 and D2, that were used in the 2005 Study.

B. Five-Year Sampling Design

The five-year sampling design selects a five-year sample, and then assigns members of the sample to data collection years.⁶ A five-year sampling design methodology was developed in 2003 to support average schedule study activities for the 2004-2008 period. It is similar to the five-year sampling

⁶ NECA introduced the first multi-year design method in 1988, which supported average schedule studies between 1989 and 1993. *See, e.g.* National Exchange Carrier Association, Inc., 1990 Modification of Average Schedules, December 29, 1989.

methodology developed in 1998 to support average schedule study activities for the 1999-2003 period.⁷

Use of a five-year sampling design allows NECA to plan a frequency of reporting for companies in each stratum. NECA tailors the reporting frequency of each stratum to reflect the significance of the data to average schedule studies. Data from strata of larger companies has a special significance because it reduces variance of sample estimates more than data from strata of smaller companies. The five-year sampling design allows NECA to combine data from two consecutive annual samples in a single study without loss of effective sample size. In fact, two consecutive samples of size 100 from each of two independent one-year sampling designs combined in an estimator would achieve a lower level of precision than two consecutive annual samples of size 100 from a single five-year sampling design with commonly defined probabilities.

In addition, NECA can include a larger company's data in every study while sampling each large company only every other year. Thus, NECA is able to use data that achieves the targeted precision level while sampling only half of the two-year sample each year. This feature significantly reduces costs incurred by NECA and by ECs, thereby reducing access charges passed on to access customers. NECA then selects an annual sample from the five-year sample, using methods detailed in Sections C through G. Finally, NECA uses a randomization procedure to determine which study areas will be included in the sample for each of the five years. This randomization procedure assures that some companies will be selected three times, some two times, or one time during the five year sampling period. The reporting frequency assigned to a company is related to the significance of its data in average schedule studies. This feature assures that a greater share of the reporting costs is borne by the larger companies.

⁷ See, e.g. National Exchange Carrier Association, Inc., 2000 Modification of Average Schedules, December 30, 1999.

C. Sampling Design Attributes

In this section NECA describes attributes used to classify the population of average schedule study areas into population classes. The 2003 design employed nine attributes listed in Exhibit 2.1.

These attributes were chosen to ensure that: (1) an adequate number of average schedule study areas were selected; (2) data would support development of each average schedule settlement formula with the desired level of precision; and (3) diverse network configurations were adequately represented.

Since there are two possible outcomes from each attribute, it is possible to create a total of 512 (2^9) average schedule classes. However, only 34 classes contain average schedule study areas.

Classification of cost companies was based on eight of the nine attributes used for average schedule companies. The exception was the attribute for the size of the company. The 586 cost companies populated only 49 classes out of a total possible of 256 (2^8) classes. This classification procedure created a total of 83 cost and average schedule classes. The classes created for this sampling design assure representation of the average schedule and cost company populations in terms of the relevant attributes, which have an impact on the average schedule settlements.

EXHIBIT 2.1
SAMPLE DESIGN CRITERIA

Criteria	Source/Date	
	Average Schedule	Cost
1. Number of Exchanges (= 1 or > 1)	NECA Settlements December 2002	NECA Customer Database December 2002
2. Size of the Company (large or small) Small: Size < 200 lines per exch.	NECA Settlements December 2002 Size = Access Lines/Exchanges	This criterion is not used for classifying Cost companies
3. Provider of Line Haul Facilities (yes or no)	NECA Settlements Circuit Miles > 0; Switched Circ. Terms > 0	NECA Cost Study Database (C&WF Cat. 2 + 3 + 4 > 0) December 2002
4. Provider of Host/Remote Facilities (yes or no)	NECA Line Haul Data Base Second Quarter 2003	NECA Cost Study Database (C&WF Cat. 4 > 0) December 2002
5. Provider of Special Access Service (yes or no)	NECA Settlements TS Special Access Net Rev. > 0	NECA Settlements Line 22: Special Access Earned Rev. > 0
6. Provider of Access Tandem Facilities (yes or no)	NECA Settlements ITD Settlements > 0	NECA Cost Study Database (COE Cat. 2 > 0) December 2002
7. Traffic Volume (High or Normal) High: MPL > 325	NECA Settlements $MPL = \frac{\text{Switched Access Minutes}}{\text{Access Lines}}$	NECA Cost Study Database $MPL = \frac{\text{Switched Access Minutes}}{\text{Access Lines}}$
8. Density (High or Normal) High : Density > 175	NECA Settlements $\text{Density} = \frac{\text{Switched Circ. Terms.}}{\text{Exchanges}}$	NECA Settlements $\text{Density} = \frac{\text{Switched Circ. Terms.}}{\text{Exchanges}}$
9. Participant in NECA's 2003 Traffic Sensitive Settlement Pool (yes or no)	NECA Customer Database	NECA Customer Database

*The April 2003 view of December 2002 data

A description of the 83 classes (34 average schedule and 49 cost) with associated study area counts is shown in Exhibits 2.2A and 2.2B.

The columns in Exhibits 2.2A and 2.2B represent the following characteristics of the study areas:

Exchanges: Number of Exchanges
 Size: Size of the company
 LH: Provides Line Haul
 H/R: Provides Host/Remote
 SA: Provides Special Access
 IT: Provides Tandem Switching
 MPL: Relative Access Minutes per Line
 Density: Switched Circuit Terminations per Exchange
 TS: Traffic Sensitive Pool Participant
 Count: Number of Study Areas within a class

EXHIBIT 2.2A

CLASSES OF AVERAGE SCHEDULE STUDY AREAS

Class	Exchanges	Size	LH	H/R	SA	IT	MPL	Density	TS	Count
1	1	large	N	N	N	N	Normal	Normal	N	2
2	1	large	N	N	N	N	Normal	Normal	Y	2
3	1	large	N	N	Y	N	Normal	Normal	Y	3
4	1	large	N	Y	N	N	Normal	Normal	N	11
5	1	large	N	Y	Y	N	Normal	Normal	Y	2
6	1	large	Y	Y	N	N	Normal	Normal	Y	20
7	1	large	Y	Y	N	N	High	Normal	Y	3
8	1	large	Y	Y	Y	N	Normal	Normal	Y	152
9	1	large	Y	Y	Y	N	Normal	High	Y	16
10	1	large	Y	Y	Y	N	High	Normal	Y	8
11	1	large	Y	Y	Y	N	High	High	Y	4
12	1	large	Y	Y	Y	Y	Normal	Normal	Y	3
13	1	large	Y	Y	Y	Y	Normal	High	Y	4
14	1	small	N	N	N	N	Normal	Normal	Y	3
15	1	small	Y	Y	N	N	Normal	Normal	Y	11
16	1	small	Y	Y	N	Y	Normal	Normal	Y	1
17	1	small	Y	Y	Y	N	Normal	Normal	Y	2
18	1	small	Y	Y	Y	N	High	Normal	Y	1
19	>1	large	N	N	N	N	Normal	Normal	N	1

EXHIBIT 2.2A (Continued)**CLASSES OF AVERAGE SCHEDULE STUDY AREAS**

Class	Exchanges	Size	LH	H/R	SA	IT	MPL	Density	TS	Count
20	>1	large	N	N	Y	N	Normal	Normal	Y	1
21	>1	large	N	Y	N	N	Normal	Normal	N	23
22	>1	large	Y	Y	N	N	Normal	Normal	Y	4
23	>1	large	Y	Y	N	Y	Normal	Normal	Y	1
24	>1	large	Y	Y	Y	N	Normal	Normal	Y	142
25	>1	large	Y	Y	Y	N	Normal	High	Y	9
26	>1	large	Y	Y	Y	N	High	Normal	Y	2
27	>1	large	Y	Y	Y	N	High	High	Y	3
28	>1	large	Y	Y	Y	Y	Normal	Normal	Y	49
29	>1	large	Y	Y	Y	Y	Normal	High	Y	12
30	>1	large	Y	Y	Y	Y	High	Normal	Y	3
31	>1	small	Y	Y	N	N	High	Normal	Y	1
32	>1	small	Y	Y	Y	N	Normal	Normal	Y	2
33	>1	small	Y	Y	Y	N	High	Normal	Y	2
34	>1	small	Y	Y	Y	Y	Normal	Normal	Y	1
Total										504

EXHIBIT 2.2B**CLASSES OF COST COMPANY STUDY AREAS**

Class	Exchanges	LH	H/R	SA	IT	MPL	Density	TS	Count
1	1	N	N	N	N	Normal	Normal	N	1
2	1	N	N	N	N	Normal	Normal	Y	3
3	1	N	N	Y	N	Normal	Normal	Y	16
4	1	N	N	Y	N	Normal	High	Y	1
5	1	Y	N	N	N	Normal	Normal	N	9
6	1	Y	N	N	N	Normal	Normal	Y	6
7	1	Y	N	N	N	Normal	High	N	2
8	1	Y	N	Y	N	Normal	Normal	Y	57
9	1	Y	N	Y	N	Normal	High	Y	6
10	1	Y	N	Y	N	High	Normal	Y	7
11	1	Y	N	Y	Y	Normal	High	Y	1
12	1	Y	Y	N	N	Normal	Normal	N	7

EXHIBIT 2.2B (Continued)

CLASSES OF COST COMPANY STUDY AREAS

Class	Exchanges	LH	H/R	SA	IT	MPL	Density	TS	Count
13	1	Y	Y	N	N	Normal	Normal	Y	4
14	1	Y	Y	N	N	Normal	High	N	1
15	1	Y	Y	N	N	High	Normal	Y	1
16	1	Y	Y	N	Y	Normal	High	N	2
17	1	Y	Y	Y	N	Normal	Normal	Y	16
18	1	Y	Y	Y	N	Normal	High	Y	6
19	1	Y	Y	Y	N	High	Normal	Y	3
20	1	Y	Y	Y	Y	Normal	High	Y	3
21	>1	N	N	N	N	Normal	Normal	N	1
22	>1	N	N	Y	N	Normal	Normal	Y	22
23	>1	N	N	Y	N	High	Normal	Y	1
24	>1	Y	N	N	N	Normal	Normal	N	7
25	>1	Y	N	N	N	Normal	Normal	Y	2
26	>1	Y	N	N	N	Normal	High	N	1
27	>1	Y	N	N	Y	Normal	Normal	N	2
28	>1	Y	N	Y	N	Normal	Normal	Y	48
29	>1	Y	N	Y	N	Normal	High	Y	2
30	>1	Y	N	Y	N	High	Normal	Y	11
31	>1	Y	N	Y	Y	Normal	Normal	Y	18
32	>1	Y	N	Y	Y	Normal	High	Y	2
33	>1	Y	N	Y	Y	High	Normal	Y	1
34	>1	Y	N	Y	Y	High	High	Y	3
35	>1	Y	Y	N	N	Normal	Normal	N	20
36	>1	Y	Y	N	N	Normal	Normal	Y	1
37	>1	Y	Y	N	N	Normal	High	N	4
38	>1	Y	Y	N	N	High	Normal	Y	1
39	>1	Y	Y	N	Y	Normal	Normal	N	5
40	>1	Y	Y	N	Y	Normal	Normal	Y	1
41	>1	Y	Y	N	Y	Normal	High	N	10
42	>1	Y	Y	Y	N	Normal	Normal	Y	178
43	>1	Y	Y	Y	N	Normal	High	Y	5
44	>1	Y	Y	Y	N	High	Normal	Y	20
45	>1	Y	Y	Y	N	High	High	Y	2
46	>1	Y	Y	Y	Y	Normal	Normal	Y	48
47	>1	Y	Y	Y	Y	Normal	High	Y	11
48	>1	Y	Y	Y	Y	High	Normal	Y	4
49	>1	Y	Y	Y	Y	High	High	Y	3
Total									586

D. Stratification of the Population

NECA consolidated the 34 average schedule classes into 8 average schedule preliminary strata as shown in Exhibit 2.3A. Similarly, the 49 cost company classes were consolidated into 8 cost company preliminary strata, as shown in Exhibit 2.3B. This consolidation was based on the study area count within each class and on the degree of similarity among classes with respect to criteria defining them. Some of the classes listed in Exhibits 2.2A and 2.2B had too few members from which to sample and were subsequently combined with other classes. For example, classes 20 and 24 in Exhibit 2.2A were combined to form stratum A8 as shown in Exhibit 2.3A. Both of these classes shared common values for all attributes except Provision of Line Haul and Provision of Host/Remote.

EXHIBIT 2.3A

PRELIMINARY STRATUM DEFINITION-AVERAGE SCHEDULE STUDY AREAS

Prelim. Stratum	Classes	Exch	Size	LH	H/R	SA	IT	MPL	Density	TS	Tot.
A1	14, 15, 16, 17, 18, 31, 32, 33, 34	1: 18 >1: 6	Small	n:3 y: 21	n: 3 y: 21	n: 16 y: 8	n:22 y: 2	High: 4 Normal:20	Normal	y	24
A2	1, 4, 19, 21	1: 13 >1: 24	Large	n	n: 3 y: 34	n	n	Normal	Normal	n	37
A3	7, 10, 11, 26, 27, 30	1: 15 >1: 8	Large	y	y	n: 3 y: 20	n:20 y:3	High	High: 7 Normal: 16	y	23
A4	9, 13, 25, 29	1: 20 >1: 21	Large	y	y	y	n:25 y: 16	Normal	High	y	41
A5	12, 23, 28	1: 3 >1:50	Large	y	y	n: 1 y: 52	y	Normal	Normal	y	53
A6	2, 3, 5, 8	1	Large	n: 7 y: 152	n:5 y:154	n: 2 y: 157	n	Normal	Normal	y	159
A7	6, 22	1: 20 >1: 4	Large	y	y	n	n	Normal	Normal	y	24
A8	20, 24	>1	Large	n: 1 y: 142	n: 1 y:142	y	n	Normal	Normal	y	143
Total											504

The grouping of classes caused some strata not to be completely homogeneous with regard to all of the sampling attributes. These exceptions are noted in Exhibits 2.3A and 2.3B.

For example, in stratum A1, 18 study areas have only one exchange and 6 have more than one exchange, 21 study areas have line haul facilities and 3 do not, 21 study areas have host remote facilities and 3 do not, 16 study areas do not provide Special Access services and 8 do, 22 study areas do not have intertoll circuits while 2 do, 4 study areas have high traffic volume and 20 have normal volume and all study areas participate in the traffic sensitive pool.

EXHIBIT 2.3B

PRELIMINARY STRATUM DEFINITION–COST COMPANY STUDY AREAS

Prelim. Stratum	Classes	Exch.	LH	H/R	SA	IT	MPL	Density	TS	Total
C1	1, 5, 7, 12, 14, 16, 21, 24, 26, 27, 35, 37, 39, 41	1: 22 >1: 50	n: 2 y: 70	n: 23 y: 49	n	n: 53 y: 19	Normal	High: 20 Normal: 52	n	72
C2	10,, 15, 19, 23, 30, 33, 34, 38, 44, 45, 48, 49	1: 11 >1: 46	n: 1 y: 56	n: 23 y: 34	n: 2 y: 55	n: 46 y: 11	High	High: 8 Normal: 49	y	57
C3	4,, 9, 11, 18, 20, 29, 32, 43, 47	1: 17 >1: 20	n: 1 y:36	n: 12 y: 25	y	n: 20 y: 17	Normal	High	y	37
C4	31, 40, 46	>1	y	n: 18 y: 49	n: 1 y: 66	y	Normal	Normal	y	67
C5	13, 17	1	y	y	n: 4 y: 16	n	Normal	Normal	y	20
C6	36, 42	>1	y	y	n: 1 y: 178	n	Normal	Normal	y	179
C7	2, 3, 6, 8	1	n: 19 y: 63	n	n: 9 y: 73	n	Normal	Normal	y	82
C8	22, 25, 28	>1	n: 22 y:50	n	n: 2 y: 70	n	Normal	Normal	y	72
Total										586

To further improve homogeneity of costs within strata, some preliminary strata were subdivided based on the range of interstate access revenues within the stratum. For example, the average schedule preliminary stratum A4 was subdivided into strata A4A and A4B, with total interstate access revenue <100,000 and total interstate access revenue >=100,000 respectively. Exhibits 2.4A and 2.4B show the application of this criterion for the average schedule and cost study areas.

The average access revenue by stratum is shown in Exhibits 2.5A and 2.5B. The significant variation in the average access revenue across strata shows that this basis of stratification effectively distinguishes companies by revenue size. For example, the average revenue for stratum A4B, is about eight times the size of stratum A4A.

EXHIBIT 2.4A

REVENUE SIZE CRITERION – AVERAGE SCHEDULE STUDY AREAS

Preliminary Stratum	Final Stratum	Interstate Access Revenue Criterion
A1	A1	N/A
A2	A2	N/A
A3	A3	N/A
A4	A4A	< 100,000
A4	A4B	>= 100,000
A5	A5A	< 20,000
A5	A5B	>= 20,000 & < 80,000
A5	A5C	>= 80,000
A6	A6	N/A
A7	A7	N/A
A8	A8A	< 50,000
A8	A8B	>=50,000 & <100,000
A8	A8C	>=100,000 & < 200,000
A8	A8D	>=200,000

EXHIBIT 2.4B**REVENUE SIZE CRITERION – COST COMPANY STUDY AREAS**

Preliminary Stratum	Final Stratum	Interstate Access Revenue Criterion
C1	C1A	< 50,000
C1	C1B	>= 50,000 & <=200,000
C1	C1C	>200,000
C2	C2	N/A
C3	C3A	<200,000
C3	C3B	>= 200,000
C4	C4A	< 200,000
C4	C4B	>= 200,000
C5	C5	N/A
C6	C6A	< 200,000
C6	C6B	>= 200,000
C7	C7	N/A
C8	C8	N/A

EXHIBIT 2.5A**DISTRIBUTION OF ACCESS REVENUES BY FINAL STRATA****AVERAGE SCHEDULE STUDY AREAS**

Stratum	Count	Average Interstate Access Revenues
A1	24	2,904
A2	37	65,012
A3	23	91,562
A4A	16	71,514
A4B	25	571,419
A5A	18	12,276
A5B	24	43,039
A5C	11	160,417
A6	159	17,173
A7	24	11,542
A8A	81	24,476
A8B	37	69,702
A8C	18	144,247
A8D	7	518,702

EXHIBIT 2.5B
DISTRIBUTION OF ACCESS REVENUES BY FINAL STRATA
COST COMPANY STUDY AREAS

Stratum	Count	Average Interstate Access Revenues
C1A	37	17,665
C1B	16	126,283
C1C	19	535,198
C2	57	108,072
C3A	23	123,577
C3B	14	522,681
C4A	48	100,047
C4B	19	381,934
C5	20	25,365
C6A	161	67,543
C6B	18	313,977
C7	82	21,685
C8	72	59,460

E. Allocation of Sample to Strata

NECA allocated the total sample size to strata using a method known as “Neyman Allocation”, a method which produces optimum precision results for stratified sampling.⁸ In each stratum, the Neyman Allocation determines the size of the sample, which is proportional to an estimate of the standard deviation of the stratum’s measure of size. The Neyman allocation produces an optimum result (improves precision the most) when the measure of size is correlated with the variable to be estimated revenue requirement. The Neyman allocation to a stratum also depends upon the total count of study areas in the stratum (Column C of Exhibits 2.6A and 2.6B), as well as the number of

⁸ *Id.* at p. 97.

study areas in the five-year sample. Using these quantities, NECA determined the sample size in each stratum by the following methods.

NECA first defined a study area's measure of size to be the square root of its total interstate access revenues. The selection of this measure of size was done for two reasons. First, it relates to the variation in revenue requirements among average schedule companies. Second, it reduces the likelihood of over-allocation to strata of large study areas that would result from the use of a measure of size that did not use the square root. These values are shown in Appendix A1.

Next, the standard deviation of measure of size in each stratum is calculated. These values are shown in Column B of Exhibits 2.6A and 2.6B. For example, for average schedule stratum A1, the standard deviation of the measure of size is 26.68.

Initially the sample was allocated equally between average schedule and cost study areas. The total five-year sample size (538) for average schedule study areas was allocated to strata as follows:

1. Study areas in strata with high traffic volume (strata A3) were designated to be censused and sampled every other year, a total sample allocation of 58 study areas.
2. The remaining five-year sample size for all other strata was calculated ($538-58=480$).
3. A trial allocation to other strata of the remaining five-year sample size was done using the Neyman Allocation method.
4. Each trial allocation was tested to assure that no study area would be sampled more than once every other year (i.e., that the stratum sample size would not require sampling more than half of stratum members each year). Strata with sample size allocations larger than this (A4B and A8D, with a total sample size of 81) were also censused and each member was assigned to be sampled every other year.

5. The remaining sample size ($480-81=399$) was allocated to all remaining strata according to the Neyman allocation method.
6. Additional sample size increases were chosen to assure that enough study areas would be sampled in certain strata of special interest. For example, stratum A1 sample size was increased from 12 to 24; Stratum A5A sample size was increased from 7 to 15.

The total five-year sample size (538) for cost study areas was allocated to strata as follows:

1. Study areas in strata with high traffic volume (strata C2) were designated to be censused and sampled every other year, a total sample allocation of 143 study areas.
2. The remaining five-year sample size for all other strata was calculated ($538-143=395$).
3. A trial allocation to other strata of the remaining five-year sample size was done using the Neyman allocation method.
4. Each trial allocation was tested to assure that no study area would be sampled more than once every other year (i.e., that the stratum sample size would not require sampling more than half of stratum members each year).
5. The remaining sample size (395) was allocated to all remaining strata according to the Neyman allocation method.

Exhibits 2.6A and 2.6B show the use of standard deviations and the total five year sample size, and final sample size to calculate trial stratum five year sample sizes for average schedule and cost companies.

The sample allocation weight (Column D) is calculated as the product of the standard deviation of the measure of size (Column B) and the number of study areas (Column C). The sample allocation weight for a particular stratum, divided by the sum of all sample allocation weights, produces a stratum allocation fraction. This fraction was multiplied by the total trial five-year sample size to produce a trial five-year sample size in each stratum (Column E).

$$\text{sample allocation weight}_h = \text{SD}_h(\text{MOS}) \times N_h$$

$$\text{sample allocation fraction}_h = \text{allocation weight}_h / \sum(\text{allocation weight}_h)$$

$$\text{trial stratum five-year sample size} = \text{sample allocation fraction}_h \times \text{total trial five-year sample size}$$

For example, for average schedule stratum A2 in Exhibit 2.6A, the trial stratum five-year sample size is calculated as follows:

$$\text{sample allocation weight}_{A2} = 124.81 \times 37 = 4618.07$$

$$\text{sample allocation fraction}_{A2} = 4618.07 / 21683.97 = 0.212972$$

$$\text{stratum five-year sample size}_{A2} = \text{Int} (0.212972 \times 399 + 0.5) = 85$$

The stratum annual sample size is calculated as the integer part of

$$\frac{\text{stratum five year sample size}}{5} + 0.5 .$$

The sampling term, which represents how often a study area will be sampled, is calculated as the

$$\text{integer part of } \frac{N_h}{\text{annual sample size}} + 0.5 , \text{ but limited to a value between 2 and 5.}$$

EXHIBIT 2.6A

FINAL STRATA – AVERAGE SCHEDULE STUDY AREAS

(A) Stratum No.	(B) Standard Deviation of M. O. S.⁹	(C) No. of Study Areas	(D) Sample Allocation Weight	(E) Five Year Sample Size	(F) Sampling Term	(G) Final Annual Sample Size	(H) Final Five Year Sample Size
A1	26.68	24	640.42	12	5	[5,4]	24
A2	124.81	37	4618.07	85	2	[19,18]	85
A3	180.82	23	0.00	58	2	[12,11]	58
A4A	48.79	16	780.57	14	5	3	15
A4B	406.82	25	0.00	63	2	[13,12]	63
A5A	21.68	18	390.24	7	5	3	15
A5B	38.53	24	924.69	17	5	[4,3]	17
A5C	98.56	11	1084.16	20	3	[4,3]	20
A6	46.30	159	7361.34	136	5	[28,27]	136
A7	45.06	24	1081.42	20	5	4	20
A8A	38.52	81	3120.28	58	5	[19,18]	58
A8B	26.75	37	989.83	18	5	[4,3]	18
A8C	38.50	18	692.96	13	5	3	15
A8D	186.06	7	0.00	18	2	[4,3]	18
TOTAL		504	21683.97	538		[112] to [114]	562

⁹ M. O. S. is “Measure of Size.” It is the square root of interstate access revenues.

EXHIBIT 2.6B

FINAL STRATA – COST STUDY AREAS

(A) Stratum No.	(B) Standard Deviation of M. O. S.	(C) No. of Study Areas	(D) Sample Allocation Weight	(E) Five Year Sample Size	(F) Sampling Term	(G) Final Annual Sample Size	(H) Final Five Year Sample Size
C1A	53.04	37	1962.52	16	5	[4,3]	16
C1B	65.75	16	1052.02	9	5	3	15
C1C	179.94	19	3418.84	28	4	[5,4]	27
C2	168.47	57	0.00	143	2	[29,28]	143
C3A	79.62	23	1831.18	15	5	3	15
C3B	197.98	14	2771.71	23	3	[5,4]	22
C4A	81.28	48	3901.3	32	5	6	30
C4B	151.89	19	2885.84	24	4	[5,4]	23
C5	56.13	20	1122.61	9	5	3	15
C6A	86.67	161	13953.15	115	5	22	110
C6B	90.12	18	1622.13	13	5	3	15
C7	64.4	82	5280.91	43	5	[9,8]	42
C8	116.17	72	8364.01	69	5	[16,15]	82
TOTAL		586	48166.22	538		[107] to 111]	555
GRAND TOTAL ¹⁰		1090	69850.19	1076			1117

¹⁰ The Grand Total is the sum of the Totals from Exhibits 2.6A and 2.6B. The Sample Allocation Weight Grand Total is used to calculate Column E.

F. Determination of Sample Size

This section describes how NECA determined the annual sample size required to support the development of settlement formulas. As demonstrated in previous filings, this determination is based on well-documented and widely accepted statistical sampling techniques. The optimal sample size was determined by balancing the need for sufficient and reliable data against the cost and burdens that collection of such data places upon sampled study areas.

In order to achieve the desired precision levels, based on total sampling cost and population representation, an annual sample of approximately 100 average schedule study areas and 100 cost study areas strikes this balance when two consecutive annual samples are combined in each average schedule study. In order to ensure that a sufficient number of study areas are selected to account for non-response, mergers, study areas converting from average schedule to cost settlement status, or study areas exiting the NECA pools, NECA targets a higher number of study areas, resulting in a five-year sample size of 538 for average schedule study areas and 538 for cost study areas.

Using data from sample companies, NECA analyzed the precision of a sample ratio estimate of total average schedule interstate revenue requirements per access line¹¹ to confirm that the resulting sample size is sufficient to provide the desired level of precision for the annual development of average schedule formulas. NECA found that this ratio would be accurate within 2.5% of the true value with 95% confidence, a sufficient precision level for developing of average schedule formulas.

¹¹ Total interstate revenue requirements were used in this test to ensure that the total average schedule settlements pursuant to proposed formulas would be accurate. Access line counts were used because this demand unit is the most significant determinant of total average schedule settlements. For this purpose, NECA used the April 2003 view of December 2002 data.

Statistical sampling textbooks, such as Sampling Techniques by William Cochran,¹² provide tests to measure the precision of sample estimates. “Precision” is defined as a range about the estimate that is shown to include the value of the population parameter with a designated level of confidence. Because NECA estimates the total average schedule revenue requirement using a stratified ratio estimate, NECA uses the formulas for the precision of a stratified ratio estimate as shown below:

The standard error of a ratio, \hat{R}_h , within a stratum, is given by the following formula:¹³

$$s(\hat{R}_h) = \frac{\sqrt{1 - f_h}}{\sqrt{n'_h} \bar{X}_h} \sqrt{\frac{\sum_i (y_{i,h} - \hat{R}_h x_{i,h})^2}{N_h - 1}}$$

where:

- \hat{R}_h is the ratio estimate of average revenue requirement per access line for stratum h .
- n'_h is the number sampled in two consecutive years in stratum h . Stratum sample sizes are explained in Section II. F.
- N_h is the number of study areas in stratum h .
- $x_{i,h}$ is the number of access lines for study area i in stratum h , and is taken from the April 2003 view of December 2002 data.
- $y_{i,h}$ is the total interstate revenue requirement for study area i in stratum h , and is taken from the April 2003 view of December 2002 data.
- f_h is the ratio of the responding two-year sample size in stratum h (n'_h) to the total number of study areas (N_h) in stratum h .
- \bar{X}_h is the mean of access lines for stratum h displayed in Column H of Exhibit 2.8.

¹² William G. Cochran, Sampling Techniques, John Wiley & Sons, Inc., New York, (2nd ed., 1963).

¹³ *Id.* at p. 31.

In this formula, the value \hat{R}_h and the summation are calculated using data from all study areas in each stratum h .

Exhibit 2.8 shows an example of the calculation of the standard error and variance of the ratio estimate for average schedule stratum A4A. Study areas in this exhibit correspond to those in average schedule stratum A4A in Appendix A1. Columns B, C and D show the calculation of components of \hat{R}_{A4A} . Column E shows the calculation of the sum of squares component of the variance.

EXHIBIT 2.7

**REVENUE REQUIREMENTS AND ACCESS LINES FOR AVERAGE SCHEDULE
STRATUM A4A**

(A) Study Area Observation No.	(B) Interstate Revenue Requirement	(C) Access Lines	(D) $\frac{\sum(Col. B)}{\sum(Col. C)}$	(E) $((B) - (D)(C))^2$
	$(y_{i,h})$	$(x_{i,h})$	(\hat{R}_h)	$(y_{i,h} - \hat{R}_h x_{i,h})^2$
1	25,358	1,204		108,289,005.62
2	31,868	2,143		27,618,039.63
3	48,498	3,325		51,936,421.30
4	49,429	4,342		20,176,796.28
5	52,329	4,842		60,856,818.19
6	52,537	4,059		4,539,282.23
7	60,239	4,244		56,778,456.29
8	62,502	5,629		54,780,557.92
9	63,729	5,292		3,957,613.80
10	64,080	5,557		24,297,617.60
11	68,099	5,306		4,869,818.99
12	68,270	6,590		184,077,275.46
13	81,838	7,864		250,291,334.08
14	87,629	8,694		413,589,589.46
15	88,017	6,775		15,070,551.69
16	117,839	6,452		1,422,439,056.73
TOTAL	1,022,261	82,318	12.42	2,703,568,235.27

$$\hat{R}_{A4A} = \frac{1,022,261}{82,318} = 12.42$$

$$s(\hat{R}_{A4a}) = \frac{\sqrt{1-0.375}}{(\sqrt{6})(5,144.875)} \sqrt{\frac{2,703,568,235.27}{16-1}} = 0.84219$$

$$Var(\hat{R}_{A4a}) = s(\hat{R}_h)^2 = (0.84219)^2 = 0.70929$$

Exhibit 2.8, Column C, shows the resulting variance of the ratio estimate for each stratum. The stratum variances were then used to determine the variance of the overall stratified ratio estimator, \hat{R} , using the following formula:¹⁴

$$Var(\hat{R}) = \frac{\sum_{h=1}^L X_h^2 Var(\hat{R}_h)}{X^2}$$

Where: X_h is the total of access lines in stratum h .

X is the total of population access lines.

Columns B, C and D of Exhibit 2.8 show the components of this calculation.

¹⁴ *Id.* at p. 90. Formula 5.3 found in Sampling Techniques note 6 *supra* is a similar expression. NECA used the sum of access lines as the weighting factor.

EXHIBIT 2.8**AVERAGE SCHEDULE STRATUM VARIANCE DATA**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)=(B)/(E)
Stratum	Access Lines	$\text{Var}(\hat{R}_h)$	$(B)^2 \times (C)$	N_h	n'_h	(F)/(E)	Mean Access Lines
A1	4,889	1.0151	24,263,927	24	10	0.42	204
A2	320,905	0.0000	0	37	37	1.00	8,673
A3	98,275	0.0000	0	23	23	1.00	4,273
A4A	82,318	0.7093	4,806,343,529	16	6	0.38	5,145
A4B	951,023	0.0000	0	25	25	1.00	38,041
A5A	17,139	1.3860	407,118,722	18	6	0.33	952
A5B	74,997	1.5984	8,990,375,848	24	7	0.29	3,125
A5C	105,895	0.3599	4,035,983,254	11	7	0.64	9,627
A6	201,075	0.0531	2,148,523,558	159	55	0.35	1,265
A7	25,907	0.7736	519,192,513	24	8	0.33	1,080
A8A	146,827	0.1928	4,156,829,803	81	23	0.28	1,813
A8B	176,553	0.4105	12,794,417,595	37	7	0.19	4,772
A8C	165,325	0.2886	7,889,095,764	18	6	0.33	9,185
A8D	210,252	0.0000	0	7	7	1.00	30,036
Total	2,581,380		45,772,144,514				

Using the values from Exhibit 2.8, the overall variance of the ratio estimate is calculated as follows:

$$\text{Var}(\hat{R}) = \frac{45,772,144,514}{(2,581,380)^2} = 0.006869$$

NECA then developed a 95% confidence interval to determine the relative precision of the estimator, using the formula below:¹⁵

$$\Pr(|\hat{R} - R| / R \geq d) = 0.05$$

Or
$$d = \frac{Z_{0.05} \times s(\hat{R})}{R}$$

where

$Z_{0.05}$ is the value of standard normal distribution N(0,1) corresponding to 95% confidence level, which is 1.96.

d is the difference between the estimated and true value of R .

R is the ratio of interstate access revenue requirements to access lines for the entire population of average schedule study areas for December 2002, a value of 11.9495.

Substituting values from the Exhibit in the above formula yields the following result.

$$d = \frac{1.96 \times \sqrt{0.006869}}{11.9495} = 0.013594$$

This calculation shows that the average schedule sample is precise within 1.36% at the 95% confidence level, a level sufficient for average schedule development.

G. Selection of Sample

In this section, NECA describes methods for selecting sample study areas. Obtaining reliable estimates from a sample requires that each member of the population has a well-defined probability of inclusion in the sample. NECA chose a special method of defining probabilities because it produces greater precision than other possible methods.

¹⁵ *Id.* at p. 75.

NECA determined the probability of including a specific study area in the five-year sample using one of two methods. Study areas in the census strata¹⁶ were assigned a probability of one for inclusion in the multi-year sample. Study areas from other sample strata were assigned probabilities proportionate to size (PPS). The PPS method was used because it provides more precise estimates than other probability sampling methods.

Calculations supporting the PPS method are detailed in Appendix A1. Study areas within a stratum are ordered according to their measure of size starting with the largest. For example, in cost stratum C1A study area number one has the highest measure of size (220.15). Next, the cumulative measure of size is computed as a running total of measures of size. The cumulative measure of size associates a range of measure of size values with each study area, including all values between the study area's cumulative measure of size and the cumulative measure of size of the preceding study area. For example, the range of measure of size associated with study area one in cost stratum C1A is 0 to 220.15. Similarly, the range of size associated with the next study area is from 220.15 to 430.7.

The stratified PPS method divides each stratum into sampling intervals, and then selects one sample member from each interval. The sampling interval is determined by dividing the stratum total measure of size by the stratum five-year sample size reported in Column H of Exhibit 2.6A and 2.6B. For example, in cost stratum C1A, the stratum sampling interval is:

$$\begin{aligned} \text{Stratum Sampling Interval} &= \frac{4520.55}{16} \\ &= 282.53 \end{aligned}$$

¹⁶ Specifically, cost strata C2 and C3B and average schedule strata A3, A4B and A5C

The PPS method selects sample members from intervals systematically, selecting the first member by a random start, and then successively adding an interval to the random start to select other sample members. The random start for each stratum was computed by multiplying a random number by the stratum sampling interval. Random starts calculated by this method are displayed in Exhibit 2.9.¹⁷

In each stratum, the sample study area whose Measure of Size range included the stratum's random start was selected in the multiyear sample. A sequence of sample selection numbers was identified by progressively adding the stratum sampling interval to the random start. Each study area whose measure of size range included one of these values was also included in the multi-year sample. For example, for cost stratum C1A shown in Appendix A1, this method first selects the study area with sequence number 1 because the random start for this stratum (191.13) is within study area 1's range of measure of size, which extends from 0 to 220.15. Similarly, study area 3 is included in the sample because by calculating a second random number in the stratum (random start + sampling interval = $191.13 + 282.53 = 473.66$), the actual sample selection number is included in the range of cumulative measure of size belonging to this study area (from 430.73 to 638.15). Results for all strata are displayed in Appendix A1.

¹⁷

Random numbers were generated using the RANUNI function of the SAS computer software. The function returns a number generated from the uniform distribution on the interval [0,1] using a prime modulus multiplicative generator with modulus $2^{31} - 1$, and multiplier 397,204,094. See SAS Institute, *SAS Language: Reference, Version 8*, 521.

EXHIBIT 2.9
RANDOM STARTS FOR EACH STRATUM

Stratum	Random Start
A1	0.496257
A2	0.008872
A3	0.982431
A4A	237.548702
A4B	0.297917
A5A	21.739869
A5B	282.068662
A5C	0.656655
A6	114.157884
A7	15.383237
A8A	197.193380
A8B	208.996871
A8C	153.946206
A8D	0.718458
C1A	191.130594
C1B	219.071430
C1C	0.823655
C2	0.702386
C3A	145.277141
C3B	0.855411
C4A	331.554106
C4B	0.578931
C5	131.533753
C6A	165.447968
C6B	295.890652
C7	64.198836
C8	99.348269

To assure that probabilities are validly defined numbers between 0 and 1, a trial sampling interval is first defined in each stratum, which is subsequently adjusted to the final sampling interval.

This determination of the sampling interval involves a repetition of these steps.

1. Calculate a trial sampling interval in the stratum
2. If any study area in the stratum has a measure of size greater than the sampling interval, assign that study area to the census sub-stratum within the stratum.
3. Stratum members not in the census sub-stratum belong to the sampling sub-stratum.

As these steps are repeated in each stratum, a sampling sub-stratum is found with each member having a measure of size less than or equal to the trial sampling interval. From this sub-stratum, sample members are selected with probability proportionate to size, as explained below. All members of the census stratum are included in the sample.

In each sampling stratum, the probability that a particular study area is included in the five-year sample is calculated as follows:

Probability of Inclusion in the Five -Year Sample =

$$\frac{\text{Stratum Five - Year Sample Size} \times \text{Study Area Measure of Size}}{\text{Total Stratum Measure of Size}}$$

For example, for study area one within cost stratum C1A,

$$\text{Probability of Inclusion in the Five-Year Sample} = \frac{16 \times 220.15}{4520.55} = 0.77921$$

According to this formula, larger study areas have a higher probability of inclusion than smaller ones.

The average Probability of Selection in a particular year's sample is given by:

$$\text{Probability of Selection} = \frac{\text{Probability of Inclusion in Five - Year Sample}}{\text{Stratum Sampling Term}}$$

For example, the probability of selecting Study Area 1 within Stratum C1A in any given year is:

$$\text{Probability of Selection} = \frac{0.77921}{5} = 0.155842$$

H. Sample Weights

In all probability samples, each member of the sample represents a share of the population that depends on its probability of selection. For example, in a simple random sample of 5 out of 50, each sample member represents 10 population members, and so has a probability of selection equal to 0.1.

To derive an estimate of the population total from such a sample, we multiply the sample total by 10. In this case, 10 is the sample weight, applied equally to each member of the simple random sample. In a probability sample which is not a simple random sample, probabilities of selection are unequal. Correspondingly, sample weights are unequal and are unique for each member of the sample. Each sample weight is the reciprocal of the probability of selection:

$$\text{Sample Weight} = \frac{1}{\text{Probability of Selection}}$$

For example, when using data from study area 1 within cost stratum C4B, as part of a single year sample to estimate a population total, the sample weight would be:

$$\text{Sample Weight} = \frac{1}{0.155842} = 6.42$$

NECA's studies combine data from two consecutive samples. Consequently, probabilities of inclusion in the combined sample are twice the probability of selection in the one-year sample. Therefore, the sample weights used by NECA with the double sample equal one-half the one-year sample weights.

I. Assignment of Study Areas to Sample Years

This section describes how study areas selected for inclusion in the five-year sample are assigned to a particular year or years during the five year sample period.

Column F of Exhibits 2.6A and 2.6B specifies the sampling term assigned to each stratum. A sampling term of three, for example, means that a company selected in the 2003 sample would be selected again for the 2006 sample, or every third year. Shorter sampling terms were assigned to strata consisting of larger study areas, while longer sampling terms were assigned to strata consisting of smaller study areas. For example, in Exhibit 2.6B, cost stratum C1A was assigned a sampling term of five (to be selected only once each in five years), while cost stratum C3B was assigned a sampling term of three (to be selected once each in three years).

To make an assignment to years for each stratum, a list of consecutive integers was assembled in random order, counting from 1 to t, where t is the stratum sampling term. For example, in cost stratum C1A (which has a sampling term of five), the first random number was 5, followed in

sequence by 2, 3, 1, and 4. Next, these randomly ordered numbers were assigned consecutively to sample study areas. Study areas assigned a random number equal to 1 are sampled in the first year; those with a number equal to 2 are sampled in the second year, etc.

In strata with sampling terms less than 5, study areas are repeated in random number order in sample years after the term is reached. For example, in a stratum with a term of 2, a study area with a random number equal to 1 would also be sampled in the third and fifth year.

Each stratum's annual sample size produced by this randomization method is shown in Column G of Exhibits 2.6A and Exhibit 2.6B. In some strata, the sample sizes are not the same in every year because the multi-year sample size did not divide evenly by the term. In such cases, numbers in parenthesis designate alternative sample sizes.

By using these methods, NECA's five-year sample design accurately and efficiently represents the total average schedule population. Methods described herein also assure that sample data represent the costs of each settlement function, for large and small companies, having normal, low and high cost conditions.

J. Supplemental Sample of Average Schedule Study Areas with High Variance in Cost per Unit

Average schedule studies during the past two years have determined that three groups of study areas contribute to high variance in cost per unit. To provide for continuing reliability of statistical derivation of settlement formulas, NECA designed a supplemental sample from these three groups. Two groups consist of study areas with low values of lines per exchange in Nebraska and South Dakota, respectively. The third group consists of study areas in thirteen other states, which include

very few average schedule study areas, with potentially high contributions to variance. Three new strata: Nebraska, South Dakota, and 13 Other States were constructed, and a supplemental sample of average schedule companies was designed. All 52 study areas in these three strata are censused, and randomly assigned to six data collection years: 2002 through 2007. As a result, eight supplemental study areas were selected for the 2004 collection of data supporting this year's study. A few study areas from the supplemental sample may be sampled in two consecutive years as a result of combining the regular and supplemental samples. Details on this supplemental sample are shown in Exhibit 2.10. The assignment of study areas to sample years is shown in appendix A1.

EXHIBIT 2.10
SUPPLEMENTAL SAMPLE

Stratum	No. of Study Areas	Random numbers	Sampling Term	Final Annual Sample Size	Final Six Year Sample Size
Nebraska	11	2, 1, 6, 4, 5, 3	6	[2, 1]	11
South Dakota	17	5, 1, 3, 2, 4, 6	6	[2, 3]	17
13 other States	24	2, 5, 1, 6, 4, 3	6	4	24
TOTAL	52			[8, 9]	52

III. DATA COLLECTION

A. Introduction

One of the first steps necessary in developing settlement formulas is compiling accurate data. This section describes the sources and types of data NECA collected to support average schedule formula development. For the 2006 Modification of Average Schedules, NECA gathered data from several different sources, including NECA's settlement system, NECA's annual average schedule data collection, NECA's Cost Study Database, network schematics and line haul worksheets, Tariff No. 4, the Customer Database, and SS7 investment and expense information.

An overview of NECA's annual data collection from sample cost and average schedule study areas is discussed in Section III.B. NECA requested demand data from both sample¹ cost and average schedule study areas and accounting data from sample average schedule study areas.

Cost company accounting data comes from the sampled cost company's annual cost separations studies submitted to NECA as described in Section III.C. These data, together with demand data submitted by the companies, are used to develop statistical models of separations (Part 36) and access allocations (Part 69), which are applied to average schedule companies.

Since average schedule companies do not perform cost separations studies, the sampled average schedule companies report financial data to NECA at a total company level. Collection of these data is described in Section III.D.

Demand data reported to the NECA pool by average schedule companies are used to forecast base period demand to the test period and to calculate average schedule separations and allocation factors

¹ The selection of the annual sample is described in Section II.

needed to derive revenue requirements. Forecasted demand is used to create new settlement formula models. Section III.E details the sources of cost company and average schedule demand data.

Section III.F discusses the demand and accounting data used for high traffic volume average schedule companies.

Section III.G summarizes the collection of average schedule line haul demand data supporting development of the distance sensitive and non-distance sensitive line haul formulas, and describes how circuit mile data were obtained from sample cost companies in order to develop Part 36 separation factor models for Central Office Equipment Category 2, 4.2, and 4.3; and for Cable & Wire Facilities Categories 1.3, 3 and 4.

Section III.H describes the collection of SS7 cost data and A-Link access information from average schedule companies.

All the data listed above were subjected to several edit checks to ensure their validity. As in the past, the data were screened to ensure accuracy in developing the proposed 2006 average schedule formulas. Company personnel or source documents were consulted whenever questions or inconsistencies arose to determine if corrections should be made. Section III.I describes the edits performed on each type of data.

The methods outlined in Section III produced the validated data that was used throughout this study.

B. NECA's Annual Data Collection

In 2003 and 2004, NECA requested demand data from both sample cost and average schedule study areas and accounting data from sample average schedule study areas to support development of average schedule settlement formulas, the average schedule USF loop cost formula and the average schedule local switching support formula. The 2003 sample provided accounting data from calendar years 2001 and 2002 and demand data from 2003. The 2004 sample provided accounting data from calendar years 2002 and 2003 and demand data from 2004. Sample companies for both years were based on the sample design, described in Section II.

As in the past, NECA personnel offered to assist companies in completing the data forms. Many companies availed themselves of this opportunity. In some cases, this assistance took the form of telephone consultation with representatives from the sample companies. In other cases, NECA personnel compiled data from company source documents on behalf of companies. This additional assistance is sometimes needed by smaller companies lacking the resources required to respond fully to the data request.

The 2003 annual data collection sampled 99 cost study areas from NECA's traffic sensitive pool. One was excluded because it is a cost company serving a Pacific island, which has no average schedule counterpart. Two study areas did not complete the Host Remote Data Request portion of their data submission due to lack of resources. Two study areas sampled as average schedule at the beginning of the multi-year sample design that converted to a Cost settlement basis in the interim were added to the cost sample. As a result, a total of 98 cost study areas were used from the 2003 annual data collection.

The 2003 annual data collection requested data from 108 average schedule study areas from NECA's traffic sensitive pool. Three study areas did not participate due to lack of resources. Eight were excluded because they provided insufficient level of detail in their response. Eight were excluded because they converted to a Cost settlement basis. Four study areas, chosen from the supplemental sample of high variance strata, are reported twice in the appendices since they were also chosen from the original multi-year sample design. This resulted in 93 total observations.

The 2004 annual data collection sampled 98 cost study areas from NECA's traffic sensitive pool. Three study areas did not complete the Host Remote Data Request portion of their submission due to lack of resources. Data from the remaining 95 cost study areas were combined with data from the 98 cost study areas in the 2003 annual data collection. As a result, the two years of data collection yielded valid data from 193 cost study areas.

The 2004 annual data collection requested data from 105 average schedule study areas from NECA's traffic sensitive pool. Eight study areas did not participate due to lack of resources. Seven were excluded because they provided insufficient level of detail in their response. One was excluded because it converted to a Cost settlement basis. Two study areas, chosen from the supplemental sample of high variance strata, are reported twice in the appendices since they were also chosen from the original multi-year sample year design. This resulted in 91 total observations. As a result, the two years of data collection yielded valid data from 184 average schedule study areas.

C. Cost Company Cost Data

NECA used detailed cost study data as the foundation of average schedule separations and allocation models (discussed in Section IV). As part of its member company data review activities, NECA

routinely acquires cost company cost studies to validate pool settlement distributions and to support tariff rate filings.

In 2004, all cost companies participating in the NECA pools were asked to provide a copy of their 2003 cost studies, showing total company (Part 32) amounts, total interstate (Part 36) amounts, and access category (Part 69) amounts. The data, submitted annually, was entered into NECA's cost study separations/allocation software program. NECA personnel reconciled discrepancies between the calculation results of its cost study program and results from the exchange carrier's cost studies. This reconciliation process provided additional assurance that cost studies are performed in accordance with Commission rules and orders, and that the data necessary for calculating separations transitions are present². The use of a single allocation program also provided NECA with a uniform data format for the analyses performed in this Study. The data was placed in NECA's Cost Study Database. Sample cost data is provided in Appendix B1.

D. Average Schedule Company Accounting Data

Average Schedule company accounting data were used to develop the Part 69 revenue requirements, described in Section VI.

Total company account specific data (Part 32) from calendar years 2002 and 2003 were requested from each average schedule study area in the 2004 sample. These companies were required to exclude from reported account balances any costs associated with non-regulated activities, in accordance with the Commission's Part 64 rules. Each company was also asked to supply copies of 2002 and 2003 financial documents supporting its accounting data, such as summarized General

² See, e.g., Safeguards to Improve the Administration of Interstate Access Tariff and Revenue Distribution Process, CC Docket No. 93-6, NECA Comments (filed April 14, 1993) at Attachment A, pp. 1-3.

Ledgers, Annual Reports or final Trial Balances. These documents were used as sources for the verification steps described in Section III.I. The 2002 and 2003 accounting data from the 2004 sample are displayed in Appendices C1 and C2, respectively.

Similar accounting data from calendar years 2001 and 2002 were obtained from average schedule study areas in the 2003 sample. Source documents for these data were also obtained for verification purposes. Average schedule company accounting data obtained from the 2003 sample are displayed in Appendices C4 and C5.

E. Demand Data

Demand data from sample cost study areas were necessary to support the separation factor modeling described in Section IV.D.

Demand data for study areas in the average schedule sample, reported to the NECA Settlement System, were used to develop demand forecasts, calculate average schedule separations and allocation factors, compute revenue requirements and create new settlement formula models.

Demand data were extracted from the following sources:

1. Data reported to NECA's Settlement System or Customer Database.
 - a. For average schedule companies, NECA used the average month of the period from July 2004 through June 2005, including all adjustments through September 2005 for the following data elements³:

³ Throughout the remainder of this Filing, Common Line Access Lines are referred to as "access lines"; Traffic Sensitive Switched Access Minutes are referred to as "access minutes"; Switched Interstate Circuit Terminations are referred to as "circuit terminations" and Interstate Circuit Miles are referred to as "circuit miles".

- Common Line Access Lines⁴
- Traffic Sensitive Switched Access Minutes of Use
- Number of Exchanges
- Switched Interstate Circuit Terminations
- Interstate Circuit Miles
- Intertoll Dial Circuits
- Interstate Circuits
- Special Access Revenues

b. For average schedule companies, NECA used the average month of the period from January 2002 through December 2003, including all adjustments through September 2005 for the analyses underlying the forecast of Interstate Special Access Revenues⁵, described in Section V.H.1.

⁴ In response to the FCC's July 19, 2004 Order, NECA adjusted projected access lines to reflect the Commission waiver applicable to the assessment of Subscriber Line Charges (SLCs) for derived channel DS1 service where the customer provides the terminating channel equipment. The number of SLCs reported for these services dropped from 24 to 5. This adjustment was implemented in this study for average schedule companies so that the pool access lines reported for settlements will match lines used in the development of the average schedules. Using the data submitted by carriers to the February/March 2005 Forecast Line Count Data Request, NECA calculated the monthly DS1 reduction for the base period months, i.e., 2004/2005 Test Year. NECA constructed a study area specific factor to reduce line counts for DS1 Channel Services as follows:

Line Reduction Factor = 1-(19 DS1 Arrangements/ Total Access Lines) for the 2004 / 2005 base period.*

The average of these factors for the 2004/2005 base period was applied to the base period access line demand for each study area. In sum, 41 observations were affected by DS1 line reduction and that reduction amounted to less than 2% of total line count used in the formula development study.

⁵ Average schedule and cost interstate special access revenues have been adjusted to reflect revenues that would have been collected if NECA's special access tariff had achieved the authorized rate of return during all of the historical data months examined.

- c. SS7 facility and cost data reported to NECA's SS7 database
- SS7 capital investment in Service Switching Points (SSPs) and Consolidation Points (CPs)
 - Location and number of fully connected or partially connected SSPs
 - Location of CP Data links and Signal Transfer Points (STPs)
 - Number of CP Data links and A-link pairs
 - A-link providers
- d. For cost companies, NECA used the average month of the period from January 2003 through December 2003⁶, including all adjustments through June 2005 for the following data elements:
- Common Line Access Lines
 - Common Line Minutes of Use
 - Traffic Sensitive Switched Access Minutes of Use⁷

Section V.H.1 describes the development of the rate of return adjustment factors. Adjusted special access revenues are referred to in this Filing as "adjusted special access revenues."

⁶ Cost company demand data from 2003 correspond to 2003 cost studies used in this Average schedule Filing, the latest available for this analysis.

⁷ Prior to July 2003, cost companies reported common line access minutes on a monthly basis, but did not report traffic sensitive switched access minutes, as average schedule companies do. Accordingly, NECA derived each cost company's traffic sensitive switched access minutes from its reported common line access minutes data. NECA used a simple regression estimation technique based on data reported by average schedule study areas to estimate the ratio of traffic sensitive to common line access minutes for cost companies. This ratio was used to calculate traffic sensitive access minutes for each sample cost study area. Influential points were identified and accommodated using the method described in Section IV.C. The model follows:

$$\text{Traffic Sensitive Access Minutes} = 1.001413 \times \text{Premium Common Line Access Minutes}$$

$$R^2 = 0.9994 \quad t\text{-statistic} = 878.25 \quad F\text{-statistic} = 771,322$$

In addition, NECA used the December 2003 view of 2001 Access Lines and Common Line Minutes of Use.

- Special Access Revenues
 - Number of Exchanges
2. Cost company documents and schematics, describing exchange locations at remote offices reported in response to the 2003 and 2004 sample data requests. Included in these documents are the following:
- Working Lines
 - Route Miles
3. Interstate toll circuit miles, interstate circuit terminations, and intertoll dial circuits from the 2003 Cost Study database derived from:
- Interstate Message Circuit Miles
 - Joint Message Total Circuit Miles
 - Interstate Conversation Minute-Mile Factor
 - Interstate Message Circuit Terminations
 - Joint Message Total Circuit Terminations
 - Interstate Conversation Minute Factor
4. Cost company exchange counts from NECA's Customer Database supplemented by Tariff No. 4.

Demand data from sample average schedule and cost study areas are displayed in Appendices D1, and D2, respectively.

F. Average Schedule High Traffic Volume Demand and Accounting Data

In this Filing, NECA documents special analyses of accounting and demand data for average schedule study areas with high traffic volumes. To support these analyses, NECA used accounting data from the 2003 and 2004 data collection and demand data reported for settlements that were coincident with each of these calendar years. A company was designated as having high traffic volume if its minutes of use per access line per month exceeded 350 during the data years included in this study. Wherever possible, the accounting data from the highest traffic volume year between 2001 and 2003 was used. If no accounting data was available from NECA's sample during the highest traffic year, the period with the next highest traffic volume was selected. Accounting data used in this study are displayed in Appendix C3. Demand data for the high traffic volume study areas corresponding to the accounting data year (2001, 2002 or 2003) were selected from the NECA settlement system and are displayed in Appendix D3.

G. Line Haul Data

Average schedule line haul demand data (i.e., circuit miles, circuit terminations and interstate circuits) are used to calculate separations factors and to support the development of the Line Haul Distance Sensitive, Line Haul Non-Distance Sensitive, and SS7 settlement formulas. Cost company line haul data are used to develop Part 36 separation factor models for Central Office Equipment Category 2, 4.2, and 4.3; and for Cable & Wire Facilities Categories 1.3, 3 and 4, as described in Section IV.

1. Average Schedule Companies

NECA procedures require average schedule study areas to provide updated line haul worksheets and schematics at least once a year or whenever significant changes occur in their transport networks. Carriers report counts of access lines, as well as counts of circuits, circuit miles and circuit terminations, to NECA to support their settlement claims.

NECA compared line haul demand from its database with line haul demand reported to the monthly settlement system. Average schedule study areas whose settlement reports differed from data in the line haul database, reconciled these differences and provided updates. Each average schedule sample company's circuits, circuit miles and circuit terminations data, as reported to the NECA settlement system, are displayed in Appendix D1.

2. Cost Companies

Cost company circuit mile data were obtained by combining interstate circuit miles to remote switches with interstate toll circuit miles connected to other switches, as reported in 2003 cost studies. Circuit miles to remote offices were derived from counts of circuits at remote offices (determined according to NECA's Traffic Engineering Circuit Count Method)⁸ and route miles to remote offices.

Total Circuit Miles = Interstate Toll Circuit Miles + Interstate Circuit Miles at Remote Offices

Interstate Toll Circuit Miles = Interstate Message Circuit Miles

+ Joint Message Interstate Circuit Miles

⁸

The circuit count method is first described in Exhibit 5.11 of NECA's 1994 Modification of Average Schedules, and has been included in NECA's Pool Administration Procedures for Average Schedule Companies. See National Exchange Carrier Association, Inc., 1994 Modification of Average Schedules, Dec. 30, 1993 at V- 35.

Joint Message Interstate Circuit Miles = Joint Message Total Circuit miles

x 2003 Cost Study Interstate Conversation Minute-Mile Factor

The traffic engineering method uses route mile data and access line counts at each remote office to develop circuit miles. NECA determined that 123 sample cost companies have host/remote circuits (COE Category 4.3 equipment). Sample cost companies provided route mile data and access line counts at each remote office. Sample cost company total interstate circuit mile data are displayed in Appendix D2.

H. Signaling System 7 (SS7) Data

NECA collects Signaling System 7 (SS7) network configuration and cost data for Service Switching Points (SSPs) and Consolidation Points (CPs) installed by average schedule companies that receive SS7 settlements.

Information on SSP or CP equipment investment and expenses related to the provision of SS7 signaling links (e.g., CP data links) was collected, and the STP or access service provider was identified. NECA collects data on the connection charges of these access service providers. These data are displayed in Appendix G. NECA used these data to update the SS7 settlement formula. Data from SSPs that were reported with incomplete cost data were replaced with the average cost of SSPs of the same model type. In a few cases, when the carrier did not identify the model type of SSP, the overall average cost was used.

Companies that purchased SS7 equipment eight or more years ago would have fully depreciated their initial investment, and would have upgraded their equipment with new equipment of the same functionality. Because some new equipment tends to be less expensive than it was eight years ago, NECA updated this data. NECA estimated replacement costs for fully depreciated switches using prices from switch vendors on replacement costs by switch model and type. This method maintains current cost data without requiring all average schedule companies to track and categorize switch maintenance costs.

I. Data Edits

1. Cost Study Area Part 32, Part 36 and Part 69 Data Edits

Several edits were performed on cost study area data to ensure completeness and accuracy.

The methods used for these edits included the following steps:

- a. Results from NECA's cost study program were reconciled with results provided by sample companies.
- b. Cost study data entries were reviewed for completeness.
- c. Related accounts were compared for consistency.
- c. Access element amounts were compared to total company and total interstate amounts.
- d. Data review ensured sufficient level of detail to conduct cost study analyses.

2. Average Schedule Study Area Accounting Data Edits

Several edits were performed on average schedule study area accounting data to ensure completeness and accuracy. The methods used for these edits included the following steps:

- a. Accounting source documents were compared to data reporting forms to ensure that the data were reported correctly. A review of data ensured that all study areas provided sufficient account detail.
- b. Individual study area investment per line and investment per minute ratios were compared to average sample ratios. Extreme values were investigated to ensure accuracy.
- c. Individual accounts for each study area were compared to their total investments and expenses for reasonability.
- d. Growth ratios for each account for each carrier were evaluated to ensure reasonability.

3. Demand Data Edits

Demand data used in this study were reviewed for consistency with prior reports and with NECA settlement procedures. Month-over-month and year-over-year comparisons were made to identify data anomalies and growth trend changes. Errors were corrected, and reasons for any inconsistencies were provided.

4. Signaling System 7 (SS7) Data Edits

The methods used for these edits included the following:

- a. SS7 facility data were reviewed for consistency with source documents and settlement claims.
- b. Source documents were reviewed to determine that SS7 cost components are complete.

IV. COST COMPANY ALLOCATION MODELS

A. Introduction

This section describes the use of cost study data provided by cost companies for the year ending December 2003.¹ These cost study data are used to calculate separated costs and to allocate separated costs to access categories, as discussed in Section IV.B, using FCC rules that apply to the test period (July 1, 2006 through June 30, 2007). From each cost study, NECA then calculates fractions of unseparated accounts that are allocated to interstate, and fractions of interstate accounts that are allocated to access categories. These separation and allocation fractions, in turn, are used in the construction of statistical models of separation and allocation ratios.

Because average schedule companies do not perform studies that produce cost separations and access category allocations, NECA uses these models in average schedule studies to allocate average schedule company accounts to access categories. As discussed in Section VI, the models are used to calculate values for the separation and allocation of accounts of each sample average schedule company.

The following is an illustration of a straight line equation model for separating an account.

$$\frac{\text{Interstate Cost in the Account}}{\text{Total Cost in the Account}} = 0.05 + (0.9 \times \text{Related Variable})$$

NECA employed the straight-line equation form in some models and other forms in other models. Part 36 models are explained in Section IV.D.

¹ Data from 2004 cost studies do not begin to become available until the second half of 2005, which was too late for inclusion in this Study.

Next, NECA used cost study accounting data in each access charge category to model the allocation of interstate amounts to access categories (Part 69 models). These Part 69 models are explained in Section IV.E. An illustration follows:

$$\frac{\text{Common Line Cost in the Account}}{\text{Interstate Cost in the Account}} = 0.1 + (0.6 \times \text{Related Variable})$$

To ensure that all models represent the average schedule population, influential data points were identified and accommodated according to the method described in Section IV.C. The outlier accommodation method was used for all separation and allocation models except for models with the independent variable being the separation fraction of another account prescribed by Part 36 rules. These cases exhibit a near perfect fit and the outlier accommodation method would have been irrelevant.

B. Jurisdictional Cost Separations and Access Category Allocations

The following sections discuss cost allocation methods underlying data obtained from 2003 cost studies for sample cost companies. The summary of cost allocation methods in Exhibit 4.1 describes factors used to separate and allocate sample cost company accounts for the test period.

1. Separation of Local Switching Investment

In an order released May 22, 2001, the FCC adopted the Federal-State Joint Board recommendation to impose an interim separations freeze effective July 1, 2001.² The freeze included all Part 36 category relationships and interstate separations factors for price cap

² Jurisdictional Separations and Referral to the Federal-State Joint Board, CC Docket No. 80-286, *Report and Order*, 16 RCC Rcd 11382 (2001).

carriers, and all interstate separations factors for rate-of-return carriers. The freeze is in effect for five years or until the Commission completes comprehensive separations reform, whichever comes first.

As a result of the separations freeze, the Local Switching separations factors underlying the 2000 cost studies no longer need to be projected to reflect the future test period. However, to account for the changes in the DEM weighting factor when companies cross an access line threshold between 2000 and 2003,³ NECA separated local switching investment using the 2003 Local Switching separations factor in this average schedule study.

2. Summary of Cost Allocation Methods

Using the 2003 cost study separations factors, NECA calculated the interstate costs of each sample cost study. These calculated costs are shown in Appendix B1. Exhibit 4.1 summarizes the basis of this calculation. The first column of Exhibit 4.1 identifies accounts or categories. The second column identifies the basis of jurisdictional separations. The third column provides the basis for apportioning interstate accounts to access categories.

The entry "Cost Study" appearing in the second or third columns indicates that no change to the historical account allocation has been made. All other entries describe the basis of separations or allocation recalculations used to reflect the changes described above.

³ 47 C.F.R. § 36.125.

3. Cost Study Separations Factors

Using these recalculated interstate costs, a set of separations factors was calculated for each sample cost study area. The set includes one separations factor for each category of Central Office Equipment and Cable & Wire Facilities, and one factor for each of selected investment, expense, reserve, and tax calculation accounts. The separations factor is calculated as follows:

$$\text{Separations Factor} = \frac{\text{Interstate Cost in Category or Account}}{\text{Total Cost in Account}}$$

These separations factors were used as described in Section IV.D to develop separations factor models.

4. Cost Study Access Allocation Factors

Using the recalculated accounts, a set of access allocation factors was calculated for each sample cost study area. The set includes one access allocation factor for each category of Central Office Equipment, Cable & Wire Facilities, and for certain investment accounts, expenses and reserves. These allocation factors were used as described in Section IV.E to develop allocation factor models.

<p style="text-align: center;">EXHIBIT 4.1</p> <p style="text-align: center;"><u>COST SEPARATION AND ALLOCATION METHODS</u></p>		
Account or Category	Part 36 Separations Basis	Part 69 Allocation Basis
Central Office Equipment		
Category 1	Cost Study	Cost Study
Category 2	Cost Study	Cost Study
Category 3	Local Switching Separation Factor	Interstate portion is directly assigned to local switching element.
Category 4.11	Cost Study	Cost Study
Category 4.12	Cost Study	Cost Study
Category 4.13	Prorate into Joint, interstate private line (PL) and intrastate PL based on 4.13 loops. Joint portion is separated 25% to interstate; PL portion is directly assigned to appropriate jurisdictions.	Joint portion is assigned to Base Factor Portion (BFP). PL portion is assigned to special access.
Category 4.2	Cost Study	Cost Study
Category 4.3	Cost Study	Cost Study
Cable & Wire Facilities		
Category 1	Prorate into joint and PL based on Cat. 1 loops. Joint portion is separated 25% to interstate. PL portion is assigned to appropriate jurisdiction.	Joint portion is assigned to BFP. PL portion is assigned to special access.
Category 2	Cost Study	Cost Study
Category 3	Cost Study	Cost Study
Category 4	Cost Study	Cost Study
Information Originating/ Terminating Equipment		
Category 1	25% to Interstate	Prorate into public tel., limited pay and all other IOT based on splitting factors. Public tel. is assigned to pay element. Limited pay is assigned to limited pay element. All other IOT is assigned to Common Line BFP element.
Category 2	Cost Study	Cost Study
General Support Facilities	COE+IOT+C&WF	COE+IOT+C&WF

EXHIBIT 4.1 (Continued) <u>COST SEPARATION AND ALLOCATION METHODS</u>		
Account or Category	Part 36 Separations Basis	Part 69 Allocation Basis
Tangible Assets - Capital Lease		
General Support Facilities	General Support Assets	General Support Assets
Central Office Equipment		
Category 1	COE Cat. 1	COE Cat. 1
Category 2	COE Cat. 2	COE Cat. 2
Category 3	COE Cat. 3	COE Cat. 3
Category 4	COE Cat. 4	COE Cat. 4
Information Originating/ Terminating Equipment		
Category 1	IOT Cat. 1	IOT Cat. 1
Category 2	IOT Cat. 2	IOT Cat. 2
Cable & Wire Facilities		
Category 1	C&WF Cat. 1	C&WF Cat. 1
Category 2	C&WF Cat. 2	C&WF Cat. 2
Category 3	C&WF Cat. 3	C&WF Cat. 3
Category 4	C&WF Cat. 4	C&WF Cat. 4
Tangible Assets - Lease Hold Improvements		
General Support Facilities	General Support Assets	COE+IOT+C&WF+GSF
COE - Switching	COE Cat. 2 & COE Cat. 3	COE+IOT+C&WF+GSF
COE - Operator Equipment	COE Cat. 1	COE+IOT+C&WF+GSF
COE - Transmission	COE Cat. 4	COE+IOT+C&WF+GSF
Information Originating/ Terminating Equipment	IOT	COE+IOT+C&WF+GSF
Cable & Wire Facilities	C&WF	COE+IOT+C&WF+GSF
Intangible Assets	2001 Excluding 2690	COE+IOT+C&WF+GSF
Telecom. Plant Held for Future Telecom. Use	2001	2001

EXHIBIT 4.1 (Continued) <u>COST SEPARATION AND ALLOCATION METHODS</u>		
Account or Category	Part 36 Separations Basis	Part 69 Allocation Basis
Telecom. Plant Under Construction (Includes AFUDC)	2001	2001
Telecom. Plant Acquis. Adjustment	2001	2001
Materials & Supplies	C&WF	COE+IOT+C&WF+GSF
RTB Stock	2001	COE+IOT+C&WF+GSF
Cash Working Capital	Total Expenses Excluding Depreciation & Amortization Expense	COE+IOT+C&WF+GSF
Accumulated Depreciation		
General Support Facilities	GSF	GSF
COE - Switching	COE Cat. 2 + COE Cat. 3	COE Cat. 2 + COE Cat. 3
COE - Operator Equipment	COE Cat. 1	COE Cat. 1
COE - Transmission	COE Cat. 4	COE Cat. 4
Information Originating/ Terminating Equipment	IOT	IOT
Cable & Wire Facilities	C&WF	C&WF
Property Held for Future Telecom Use	2002	COE+IOT+C&WF+GSF
Accumulated Amortization - Tangible	2680	Associated 2680 Investment
Accumulated Amortization - Intangible	2690	COE+IOT+C&WF+GSF
Accumulated Amortization - Other	2005	2005
Net Current Deferred Taxes		
General Support Facilities	GSF	GSF
COE - Switching	COE Cat. 2 + COE Cat. 3	COE Cat. 2 + COE Cat. 3
COE - Operator Equipment	COE Cat. 1	COE Cat. 1
COE - Transmission	COE Cat. 4	COE Cat. 4
Information Originating/ Terminating Equipment	IOT	IOT
Cable & Wire Facilities	C&WF	C&WF
Not Classified	2001 Excluding Land	2001

EXHIBIT 4.1 (Continued) <u>COST SEPARATION AND ALLOCATION METHODS</u>		
Account or Category	Part 36 Separations Basis	Part 69 Allocation Basis
Net Non-Current Deferred Taxes		
General Support Facilities	GSF	GSF
COE - Switching	COE Cat. 2 + COE Cat. 3	COE Cat. 2 + COE Cat. 3
COE - Operator Equipment	COE Cat. 1	COE Cat. 1
COE - Transmission	COE Cat. 4	COE Cat. 4
Information Originating/ Terminating Equipment	IOT	IOT
Cable & Wire Facilities	C&WF	C&WF
Not Classified	2001 Excluding Land	2001
Network Support Expenses	GSF	COE+IOT+C&WF+GSF
General Support Expenses	GSF	GSF
COE Expenses -6210	COE	COE 2210
-6220	COE	COE 2220
-6230	COE	COE 2230
C&WF Expenses	C&WF	C&WF
IOT Expenses	IOT	IOT
Other Property, Plant & Equipment Expenses	2001	COE+IOT+C&WF
Network Operations Expenses	COE+IOT+C&WF	COE+IOT+C&WF
Access Expenses	Cost Study	Cost Study
Depreciation & Amortization Expense		
General Support Facilities	GSF	GSF
COE - Switching	COE Cat. 2 + COE Cat. 3	COE Cat. 2 + COE Cat. 3
COE - Operator Equipment	COE Cat. 1	COE Cat. 1
COE - Transmission	COE Cat. 4	COE Cat. 4
Information Originating/ Terminating Equipment	IOT	IOT
Cable & Wire Facilities	C&WF	C&WF
Plant Held for Future Telecom. Use	2001	2001
Amortization - Tangible Assets	2680	2680
Amortization - Intangible Assets	2690	2690
Amortization - Other	2005	2005

EXHIBIT 4.1 (Continued) <u>COST SEPARATION AND ALLOCATION METHODS</u>		
Account or Category	Part 36 Separations Basis	Part 69 Allocation Basis
Marketing Expenses	Cost Study	COE+IOT+C&WF+GSF
Service Expenses - OB&C	User Study	Limited to 5% to CL
Service Expenses - All Other	Cost Study	Cost Study
Executive & Planning Expense	Big Three Expenses	Big Three Expenses
General & Administrative Expense	Big Three Expenses	Big Three Expenses
Other Operating Taxes	2001	COE+IOT+C&WF+GSF
Investment Tax Credit	2001	COE+IOT+C&WF+GSF
Funds During Construction	2003	COE+IOT+C&WF+GSF
Contributions	Corporate Expenses	COE+IOT+C&WF+GSF
Interest on Capital Leases	2680 - Capital Leases	COE+IOT+C&WF+GSF
Other Interest & Related Items	Net Telecommunication Plant	2001 or Net Investment
Other Jurisdictional Assets	Cost Study	Cost Study
Other Jurisdictional Liabilities & Deferred Credit - Net	Cost Study	Cost Study
Investment Allowance/Disallowance	2001	COE+IOT+C&WF+GSF
Capitalized Payroll	2001	COE+IOT+C&WF+GSF
Depreciation Adjustment	2001	COE+IOT+C&WF+GSF
Expense Allowance/Disallowance	2001	COE+IOT+C&WF+GSF
Customer Deposits	2001 Excluding Land	COE+IOT+C&WF+GSF
Accumulated Depreciation Allowance/Disallowance	2001 Excluding Land	COE+IOT+C&WF+GSF
FIT Allowance/Disallowance	2001	COE+IOT+C&WF+GSF

C. Outlier Accommodation Methods

In constructing average schedule study regression and ratio models, influential data points that were considered to be non-typical of average schedule companies or that have an undue influence on estimated model parameters are present in the data. Since its 1998 filing, NECA has employed an Outlier Accommodation Method (“Method”) to moderate the impact of these influential points in model development. This method responds to FCC concerns raised in the *June 1998 Order*⁴ that recommended NECA use a more accurate and consistent method to address outliers.

The inclusion of influential points in Average Schedule Study regression and ratio estimate models is a two step process involving: (1) identification of influential points, and (2) accommodation of influential data in model development.

1. Outlier Accommodation Method in Regression Models

a. Identification of Outliers in Regression Models

There are numerous methods available in statistical literature⁵ to identify influential data points in linear regression models. NECA adopts the DFFITS measure of influence proposed by Belsley.⁶ The DFFITS statistic is a scaled measure of the

⁴ NECA Proposed Modifications to the 1998-99 Interstate Average Schedule Formulas, AAD 98-20, *Order*, 13 FCC Rcd 17351 (1998)(*June 1998 Order*).

⁵ A good comparison study can be found in Chatterjee, S. and Hadi, A.S. “Influential Observations, High Leverage Points, and Outliers in Linear Regression”, *Statistical Science*, 1986, Vol. 1, No. 3, pp. 379-416.

⁶ Belsley, David A., (*et al.*), *Regression Diagnostics: Identifying Influential Data and Sources of Collinearity*, John Wiley & Sons 1980.

influence on the predicted value for the i th observation and is calculated by deleting the i th observation from the regression data. This calculated statistic is obtainable only from classical linear regression models.⁷ Large values of DFFITS indicate influential observations. A distinct size-adjusted absolute cutoff point can be defined. The cutoff point is used to distinguish high influence points from others.⁸

The cutoff point suggested by Chatterjee⁹ is defined as

$$C = 2 \sqrt{\frac{P+1}{N-P-1}}$$

where P = number of model coefficients

N = number of observations included in model

b. Accommodation of Outliers in Regression Models

Outlier accommodation methods have the purpose of diminishing the variance of estimates by reducing the impact of influential data on models. Statistical texts conclude that methods of weighted regression will optimize the variance of a model if each point is given a weight in inverse proportion to its contribution to total model variance. In other words, if the weights for the observations are proportional to the

⁷ For non-linear models, an additional step is required before using the Outlier Accommodation Method. See Section VII.B.

⁸ As Belsley points out that DFFITS is “a t -like diagnostic. . . . (that) has been scaled by an appropriate estimated standard error, which, under the Gaussian assumption, is stochastically independent of the given diagnostic.” As such, a distinct size-adjusted absolute cutoff point can be defined. *Id.* at p. 28.

⁹ Chatterjee, S., and Hadi, A.S., Sensitivity Analysis in Linear Regression, John Wiley & Sons 1988, pp. 121-122.

reciprocals of the error variances, then the weighted least-squares estimates are Best Linear Unbiased Estimators.¹⁰

NECA uses variance weights as follows:

If $DFFITs_i \leq C$, Then Variance Weight_i = 1

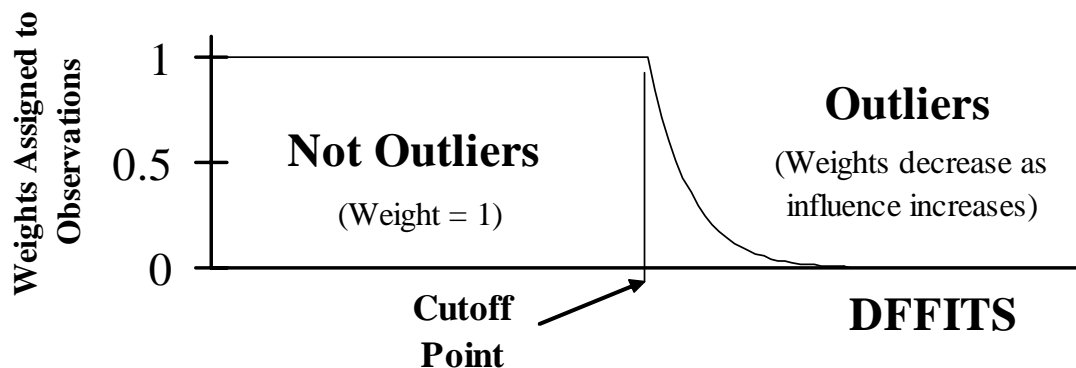
$$\text{Else Variance Weight}_i = \left(\frac{C / 2}{DFFITs_i} \right)^2$$

where C is the cutoff point.

The numerator of the variance weight is the median DFFITS value of points which are not influential. Thus, this variance weight compares a point which is influential to points which are not influential. Exhibit 4.2 is a graph that illustrates these variance weights. Using weights obtained by this method, weighted regression models were developed.

EXHIBIT 4.2

Illustrative Outlier Weights



¹⁰ See Draper, Norman (*et al.*), *Applied Regression Analysis*, John Wiley & Sons, 1966, pp. 108-115, and Judge, George (*et al.*), *The Theory and Practice of Econometrics*, John Wiley & Sons, 1980, pp. 420-421.

2. Outlier Accommodation Method for Ratio Estimates

a. Identification of Outliers for Ratio Estimates

For ratio estimates, the influence of each observation on the ratio can be calculated directly by excluding each point from the ratio one at a time. This is technically parallel to the DFFITS method adopted in regression models in identifying influential points.

$$Ratio = \frac{\sum (SampleWeight_i \times Y_i)}{\sum (SampleWeight_i \times X_i)}$$

$$Influence_j = Ratio - \frac{\sum (SampleWeight_i \times Y_i) - SampleWeight_j \times Y_j}{\sum (SampleWeight_i \times X_i) - SampleWeight_j \times X_j}$$

The cutoff point of variance weights for ratio estimates is determined by testing various scaled standard deviations of influence to produce the same proportion of influence points as in regression cases.

$$C = 2.33 \times Std\ Deviation(Influence_i)$$

Study areas with influence exceeding cutoff point C are then accommodated.

b. Accommodation of Outliers for Ratio Estimates

In parallel to the method of calculating variance weights for regression models, variance weights for ratio estimates are assigned as:

If $Influence_i \leq C$, Then $Variance\ Weight_i = 1$

Else $Variance\ Weight_i = \left(\frac{C / 2}{Influence_i} \right)^2$

The final ratio estimate would be calculated using both sample weights and variance weights. All ratio models in this filing use this method of outlier accommodation.

D. Part 36 Separations Factor Modeling

This section describes the use of cost company separations factor data to develop models of separations factors. Separations models were developed for certain categories of Central Office Equipment and Cable & Wire Facilities, and for each Class B account of investment, expense, reserve and tax account. The separations models rely on 2003 cost company demand data (defined in Section III.E), and cost study separations factors (defined in Section IV.B.3).

1. Model Forms

For each cost category, NECA developed a model of simplest structure with the least number of statistically significant variables, that explains the largest percentage of the variation of the separations fraction and that has correct signs for all regression coefficients.

Graphical displays and statistical regression diagnostic tools have been utilized to determine whether alternative forms and combinations of variables would lead to improved models. Simple weighted average ratios were chosen when data did not demonstrate statistically significant regression relationships between separations fractions and other variables.

Different model forms were tested to relate the separations percentage to various independent variables. An independent variable is one used as a predictor of another variable in a regression model. The simplest of these related the separation percentage to a single independent variable. In each case, simple straight line (linear) forms were tested. The form that estimated the fraction of dollars in the account or category most accurately was chosen. These model forms are illustrated below.

P = *Dependent Variable in the Model*

$$= \frac{\text{Categorize } d \text{ Interstate Account}}{\text{Unseparate } d \text{ Account}}$$

X = *Independent Variable in the Model*

General Straight Line Model Form: $P = a + bX$

When the intercept is not statistically significant a proportional model results.

Proportional Model Form: $P = bX$

When the slope of the straight line is not statistically significant (for any or all prospective independent variables), a simple average ratio form results.

Simple Average Ratio Form: $P = a$

All Part 36 models used one of two structures. In the following paragraphs, P represents the estimated value of P (the separations factor) obtained from the corresponding separations model.

When no statistically significant relationship with an independent variable could be found, a simple average ratio is employed. An example of this form is COE Category 1. Where total Cat. 1 COE is not zero, then:

$$P = \frac{\text{Interstate Cat.1 COE}}{\text{Total COE}}$$

$$= 0.000118$$

Whenever a statistically significant relationship could be found, NECA developed a regression model to estimate separations fractions. NECA tested independent variables that logically related to the fraction to be estimated in each model. For example, the C&WF Category 1.2 (Interstate Private Line + Interstate WATS) fraction is logically related to the adjusted Special Access Revenues per line.

$$P = \frac{\text{Interstate Cat. 1.2 C \& WF}}{\text{Total C \& WF}}$$

$$= 0.003665 + 0.000979 \times \text{Adj. Special Access Revenue Per Line}$$

This relationship is expected because the adjusted special access revenues per line variable is known to correlate strongly with the interstate fraction of C&WF Category 1.2.

In some instances no statistically significant evidence that the intercept was different from zero was found. A simpler proportional model ($P = bX$) was utilized. An example of the proportional form for GSF Equipment is:

$$P = \frac{\text{Interstate GSF}}{\text{Total GSF}}$$

$$= 1.001073 \times \% \text{ Interstate of } [COE + C\&WF + IOT]$$

$$R^2 = 1.00 \quad F = 1.647E7 \quad t = 4,059$$

The separation of GSF is significantly related to the separation of COE, C&WF and IOT investment, as seen by an *R-Square* value of 1.00.

Similar evaluations of possible independent variables were made for all models. A variable was included in a model if a basis was found in separations rules or in economic relationships, if the *t-statistic* for inclusion of the variable was significant and if the sign of the coefficient was logically acceptable.

Variables were considered for inclusion in these models only if they could be obtained from both cost and average schedule companies. In some cases, logical variables were available for cost companies, but not for average schedule companies. For example, cost study areas that have COE Category 2 investment measure tandem switched minutes for separations studies. This variable could not be used to evaluate the separations model for average schedule companies, however, since average schedule companies do not measure tandem switched minutes. Alternatively, average schedule companies report intertoll dial circuit for settlements, while cost companies do not. NECA estimated intertoll dial circuit counts for each cost company, based on the relationship between intertoll dial circuits and line haul toll

circuit terminations from the average schedule company data, using the following simple average ratio.

$$\text{Cost Company Intertoll Dial Circuits} = 0.256363 \times \text{Total Cost Company Interstate Circuit Terminations}$$

While most demand variables used in these models were from the year 2003, corresponding to the cost study year, NECA found that for the COE Category 3 Local Switching separation model, year 2001 high volume access minutes demand data were superior. Mimicking decisions of carriers to plan new construction once customer demand increases, this lagging demand variable was shown to have stronger correlation with COE category 3 investments, both in terms of individual t statistics and an overall fit. The access minutes were grouped into normal volume and high volume categories using 365 minutes per line as the breakpoint, as follows:

Normal Volume Minutes Per Line

$$= \text{Minimum (Total Minutes Per Line, 365)}$$

High Volume Minutes Per Line

$$= \text{Total Minutes Per Line} - \text{Normal Volume Minutes Per Line}$$

The breakpoint of 365 minutes per line separates study areas into groups of either high or normal COE Category 3 separation fractions.

Only normal volume minutes per line were weighted by the Dial Equipment Minutes (DEM) weight, because study areas with high volume traffic generally have their separation factors capped at 0.85, reducing the relationship between DEM weight and high volume minutes per line. Using this specification more accurately allocates total COE to interstate Category 3 for study areas with high traffic volumes.

For the COE Category 4.2 separation model, adjusted special access revenues per line were included separately for companies with and without wideband costs.

For the C&WF Category 3 separation model, circuit miles per line were grouped into categories of either normal route or long route using 68 circuit miles per termination as the breakpoint. This breakpoint was determined graphically by examining the relationship between the interstate percent of C&WF Category 3 and circuit miles per termination.

NECA determines minimum and maximum values of separation factors from cost company sample data as shown in Exhibit 4.3. These values are used to limit average schedule company separations factors obtained from separations models. If the average schedule company interstate portion calculated from a model was higher than the cost company maximum limit or lower than the cost company minimum limit, the corresponding limit was used as the average schedule company's separations factor. The test was not applied to regression models dependent upon other accounts' separations factors, which were already constrained within cost company limits.

2. Separation Factor Models

All separations factor models are displayed in Exhibit 4.3. When a regression model was used, the associated *t-statistic*, *R-Square statistic*, and *F-statistic* values are shown.

EXHIBIT 4.3

PART 36 SEPARATION FACTOR MODELS

COE Category 1 - Operator Systems

If total Cat. 1 COE is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 1 COE}}{\text{Total COE}} \\ &= 0.000118 \end{aligned}$$

COE Category 2 - Tandem Switching

If total Cat. 2 COE is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 2 COE}}{\text{Total COE}} \\ &= 0.011707 + 0.000204 \times \text{Interstate Toll Circuit Miles per Termination} \\ \text{Minimum} &= 0.000000 \\ \text{Maximum} &= 0.171703 \\ R^2 &= 0.06 \quad F = 1.84 \quad t = 1.36 \end{aligned}$$

COE Category 3 - Local Switching

If total Cat. 3 COE is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 3 COE}}{\text{Total COE}} \\ &= 0.049341 + 0.000313 \times \text{DEM Weight} \times \text{Year 2003 Normal Volume Minutes per Line} \\ &\quad + 0.000218 \times \text{Year 2001 High Volume Minutes per Line} \\ \text{Minimum} &= 0.000001 \\ \text{Maximum} &= 0.721009 \\ R^2 &= 0.29 \quad F = 37.98 \quad t_1 = 7.94 \quad t_2 = 0.78 \end{aligned}$$

EXHIBIT 4.3 (Continued)

PART 36 SEPARATION FACTOR MODELS

COE Category 4.11 Plus 4.12 - Wideband Exchange Line + Exchange Trunk

If interstate Cat. (4.11 + 4.12) COE is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate COE Cat. 4.11 + Cat. 4.12}}{\text{Total COE}} \\ &= 0.045361 + 0.000001 \times \text{Adjusted Special Access Revenues per Exchange} \\ \text{Minimum} &= 0.000167 \\ \text{Maximum} &= 0.192669 \\ R^2 &= 0.05 \quad F = 7.62 \quad t = 2.76 \end{aligned}$$

COE Category 4.13 - Exchange Line Circuit Excluding Wideband

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 4.13 COE}}{\text{Total COE}} \\ &= 0.085489 \end{aligned}$$

COE Category 4.2 - Interexchange Circuit

If total Cat. 4.2 COE is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 4.2 COE}}{\text{Total COE}} \\ &= 0.038738 + 0.003001 \times \text{Circuit Miles per Line} \\ &\quad + 0.001657 \times \text{Adjusted Special Access Revenues per Line with Wideband} \\ &\quad + 0.006221 \times \text{Adjusted Special Access Revenues per Line without Wideband} \\ \text{Minimum} &= 0.000000 \\ \text{Maximum} &= 0.378750 \\ R^2 &= 0.13 \quad F = 9.26 \quad t_1 = 2.90 \quad t_2 = 1.80 \quad t_3 = 3.74 \end{aligned}$$

EXHIBIT 4.3 (Continued)

PART 36 SEPARATION FACTOR MODELS

COE Category 4.3 - Host/Remote Message Circuit

If total Cat. 4.3 COE is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 4.3 COE}}{\text{Total COE}} \\ &= 0.006829 + 0.034106 \times \text{Host Remote Circuit per Termination} \\ \text{Minimum} &= 0.000048 \\ \text{Maximum} &= 0.216677 \\ R^2 &= 0.14 \qquad F = 16.45 \qquad t = 4.06 \end{aligned}$$

C&WF Category 1.2 - Interstate Private Line + Interstate WATS

If total Cat. 1.2 C&WF is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 1.2 C\&WF}}{\text{Total C\&WF}} \\ &= 0.003665 + 0.000979 \times \text{Adjusted Special Access Revenues per Line} \\ \text{Minimum} &= 0.000163 \\ \text{Maximum} &= 0.063046 \\ R^2 &= 0.16 \qquad F = 32.29 \qquad t = 5.68 \end{aligned}$$

C&WF Category 1.3 - Subscriber Common Line - Joint Interstate/Intrastate Use

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 1.3 C\&WF}}{\text{Total C\&WF}} \\ &= 0.228595 - 0.000294 \times \text{Circuit Miles per Termination} \\ \text{Minimum} &= 0.110632 \\ \text{Maximum} &= 0.248661 \\ R^2 &= 0.16 \qquad F = 36.56 \qquad t = -6.05 \end{aligned}$$

EXHIBIT 4.3 (Continued)

PART 36 SEPARATION FACTOR MODELS

C&WF Category 2 - Wideband Exchange Trunk

If interstate Cat. (4.11 + 4.12) COE is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 2 C\&WF}}{\text{Total C\&WF}} \\ &= 0.009564 + 0.000032 \times \text{Adjusted Special Access Revenues per Termination} \\ \text{Minimum} &= 0.000000 \\ \text{Maximum} &= 0.217012 \\ R^2 &= 0.02 \qquad F = 2.66 \qquad t = 1.63 \end{aligned}$$

C&WF Category 3 - Interexchange

If interstate Cat. 3 C&WF is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 3 C\&WF}}{\text{Total C\&WF}} \\ &= 0.013537 + 0.000318 \times \text{Normal Route Circuit Miles per Termination} \\ &\quad + 0.000242 \times \text{Long Route Circuit Miles per Termination} \\ &\quad + 0.001420 \times \text{Adjusted Special Access Revenues per Line} \\ \text{Minimum} &= 0.000066 \\ \text{Maximum} &= 0.252437 \\ R^2 &= 0.10 \qquad F = 6.80 \qquad t_1 = 2.38 \qquad t_2 = 1.01 \qquad t_3 = 1.65 \end{aligned}$$

C&WF Category 4 - Host/Remote Message

If interstate Cat. 4 C&WF is not zero, then:

$$\begin{aligned} P &= \frac{\text{Interstate Cat. 4 C\&WF}}{\text{Total C\&WF}} \\ &= 0.009309 + 0.000557 \times \text{Host Remote Circuit Miles per Termination} \\ \text{Minimum} &= 0.000008 \\ \text{Maximum} &= 0.314923 \\ R^2 &= 0.09 \qquad F = 10.16 \qquad t = 3.19 \end{aligned}$$

EXHIBIT 4.3 (Continued)

PART 36 SEPARATION FACTOR MODELS

GSF - General Support Facilities Equipment

$$\begin{aligned} P &= \frac{\text{Interstate GSF}}{\text{Total GSF}} \\ &= 1.001073 \times \% \text{ Interstate of Total [COE + C\&WF + IOT]} \\ R^2 &= 1.00 \quad F = 1.647E7 \quad t = 4,059 \end{aligned}$$

Tangibles - Account 2680

$$\begin{aligned} P &= \frac{\text{Interstate Tangibles}}{\text{Total Tangibles}} \\ &= 1.011767 \times \% \text{ Interstate of Total [COE + C\&WF + IOT]} \\ R^2 &= 0.98 \quad F = 1,752 \quad t = 41.85 \end{aligned}$$

Intangibles - Account 2690

$$\begin{aligned} P &= \frac{\text{Interstate Intangibles}}{\text{Total Intangibles}} \\ &= 1.000767 \times \% \text{ Interstate of Total 2001 (Excluding 2690)} \\ R^2 &= 1.00 \quad F = 1.232E7 \quad t = 3,510 \end{aligned}$$

Telecommunications Plant - Other - Accounts 2002 + 2003 + 2005

$$\begin{aligned} P &= \frac{\text{Interstate of Total 2002 + 2003 + 2005}}{\text{Total 2002 + 2003 + 2005}} \\ &= 1.000443 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 1.00 \quad F = 9,299,738 \quad t = 3,050 \end{aligned}$$

Materials & Supplies - Account 1220

$$\begin{aligned} P &= \frac{\text{Interstate Materials \& Supplies}}{\text{Total Materials \& Supplies}} \\ &= 0.999950 \times \% \text{ Interstate of C\&WF} \\ R^2 &= 1.00 \quad F = 7.234E8 \quad t = 26,895 \end{aligned}$$

EXHIBIT 4.3 (Continued)

PART 36 SEPARATION FACTOR MODELS

RTB Stock - Account 1402

$$\begin{aligned} P &= \frac{\text{Interstate RTB Stock}}{\text{Total RTB Stock}} \\ &= 1.000458 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 1.00 \quad F = 3.932E7 \quad t = 6,271 \end{aligned}$$

Accumulated Depreciation - Accounts 3100 + 3200

$$\begin{aligned} P &= \frac{\text{Interstate Accumulated Depreciation}}{\text{Total Accumulated Depreciation}} \\ &= 1.018890 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 1.00 \quad F = 87,899 \quad t = 296.48 \end{aligned}$$

Accumulated Amortization - Accounts 3400 + 3500 + 3600

$$\begin{aligned} P &= \frac{\text{Interstate Accumulated Amortization}}{\text{Total Accumulated Amortization}} \\ &= 1.000289 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 1.00 \quad F = 933,206 \quad t = 966.03 \end{aligned}$$

Net Deferred Federal Income Taxes - Accounts 4100 + 4340 + 4370

$$\begin{aligned} P &= \frac{\text{Interstate Net Deferred Federal Income Taxes}}{\text{Total Net Deferred Federal Income Taxes}} \\ &= 0.358381 \end{aligned}$$

Network Support Expense - Account 6110

$$\begin{aligned} P &= \frac{\text{Interstate of Network Support Expense}}{\text{Total Network Support Expense}} \\ &= 1.001142 \times \% \text{ Interstate of Total [COE + C\&WF + IOT]} \\ R^2 &= 1.00 \quad F = 1.054E7 \quad t = 3,247 \end{aligned}$$

EXHIBIT 4.3 (Continued)

PART 36 SEPARATION FACTOR MODELS

General Support Expense - Account 6120

$$\begin{aligned} P &= \frac{\text{Interstate of GSF Expense}}{\text{Total GSF Expense}} \\ &= 1.001081 \times \% \text{ Interstate of Total [COE + C\&WF + IOT]} \\ R^2 &= 1.00 \quad F = 1.628E7 \quad t = 4,035 \end{aligned}$$

COE Expense - Account 6210

$$\begin{aligned} P &= \frac{\text{Interstate of COE}}{\text{Total COE}} \\ &= 1.001465 \times \% \text{ Interstate of COE} \\ R^2 &= 1.00 \quad F = 5,456,709 \quad t = 2,336 \end{aligned}$$

C\&WF Expense - Account 6410

$$\begin{aligned} P &= \frac{\text{Interstate of C\&WF Expense}}{\text{Total C\&WF Expense}} \\ &= \% \text{ Interstate of C\&WF} \\ R^2 &= 1.00 \quad F = 4.09E15 \quad t = 6.395E7 \end{aligned}$$

Other Property, Plant & Equipment Expense - Account 6510

$$\begin{aligned} P &= \frac{\text{Interstate of Account 6510}}{\text{Total Account 6510}} \\ &= 1.000877 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 1.00 \quad F = 9,370,595 \quad t = 3,061 \end{aligned}$$

Network Operations Expense - Account 6530

$$\begin{aligned} P &= \frac{\text{Interstate of Network Operations Expense}}{\text{Total Network Operations Expense}} \\ &= 1.002941 \times \% \text{ Interstate of Total [COE + C\&WF + IOT]} \\ R^2 &= 1.00 \quad F = 2,354,388 \quad t = 1,534 \end{aligned}$$

EXHIBIT 4.3 (Continued)

PART 36 SEPARATION FACTOR MODELS

Depreciation and Amortization Expense - Account 6560

$$\begin{aligned} P &= \frac{\text{Interstate Depreciation and Amortization Expense}}{\text{Total Depreciation and Amortization Expense}} \\ &= -0.032252 + 1.161530 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 0.94 \qquad F = 2,997 \qquad t = 54.74 \end{aligned}$$

Marketing Expense - Account 6610

$$\begin{aligned} P &= \frac{\text{Interstate Marketing Expense}}{\text{Total Marketing Expense}} \\ &= 0.887106 \times \% \text{ Interstate of Total [COE + C\&WF + IOT]} \\ R^2 &= 0.92 \qquad F = 1,814 \qquad t = 42.59 \end{aligned}$$

Services Expense - Account 6620

$$\begin{aligned} P &= \frac{\text{Interstate Services Expense}}{\text{Total Services Expense}} \\ &= 0.229895 + 0.264798 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 0.05 \qquad F = 10.00 \qquad t = 3.16 \end{aligned}$$

Executive & Planning Expense - Account 6710

$$\begin{aligned} P &= \frac{\text{Interstate Executive and Planning Expense}}{\text{Total Executive and Planning Expense}} \\ &= 1.001187 \times \% \text{ Interstate of Total Big Three Expenses} \\ R^2 &= 1.00 \qquad F = 1.099E7 \qquad t = 3,315 \end{aligned}$$

General & Administrative Expense - Account 6720

$$\begin{aligned} P &= \frac{\text{Interstate General and Administrative Expense}}{\text{Total General and Administrative Expense}} \\ &= 1.135174 \times \% \text{ Interstate of Total Big Three Expenses} \\ R^2 &= 0.99 \qquad F = 22,920 \qquad t = 151.39 \end{aligned}$$

EXHIBIT 4.3 (Continued)

PART 36 SEPARATION FACTOR MODELS

Other Operating Taxes - Account 7200

$$\begin{aligned} P &= \frac{\text{Interstate Account 7200}}{\text{Total Account 7200}} \\ &= 0.025345 + 0.974802 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 0.76 \qquad F = 602.46 \qquad t = 24.55 \end{aligned}$$

Federal Investment Tax Credit

If study area is subject to Federal Income Tax,

$$\begin{aligned} P &= \frac{\text{Interstate of Investment Tax Credit}}{\text{Total Investment Tax Credit}} \\ &= 1.032951 \times \% \text{ Interstate of Total Net Plant} \\ R^2 &= 0.99 \qquad F = 4,201 \qquad t = 64.81 \end{aligned}$$

Non-Operating Income and Expense

$$\begin{aligned} P &= \frac{\text{Interstate of Non-Operating Income and Expense}}{\text{Total Non-Operating Income and Expense}} \\ &= 1.115462 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 0.99 \qquad F = 10,517 \qquad t = 102.55 \end{aligned}$$

Interest & Related Items - Account 7500

$$\begin{aligned} P &= \frac{\text{Interstate of Total 2001}}{\text{Total 2001}} \\ &= 0.974269 \times \% \text{ Interstate of Total 2001} \\ R^2 &= 1.00 \qquad F = 37,440 \qquad t = 193.49 \end{aligned}$$

E. Part 69 Allocation Factor Modeling

This section describes the use of access allocation factor data to develop models relating access allocations to other variables.

1. Methods and Data

Most categories of cost are allocated according to Part 69 rules either by a 100 percent direct assignment rule or by a simple indirect allocation rule. Only a few cost categories have allocations complex enough to require a model to apportion them among access categories.¹¹

As with the development of Part 36 models, NECA developed models of simplest form with statistically significant independent variables. These models explained the largest percentage of variation of allocation fractions and had coefficients with acceptable signs.

Using graphical displays and statistical regression analysis, alternative forms and combinations of variables were tested. Simple weighted average ratios were chosen when the data did not demonstrate any statistically significant relationship between the allocation fractions and the other variables.

¹¹ Exhibit 4.1 shows the methods used in this average schedule study to allocate cost company accounts to access categories.

NECA selected model variables based on relationships designated in Part 69 rules or correlations with other variables designated in the Part 69 rules. The dependent variable in each model is the ratio of cost in an individual access category to total interstate cost. For example, the following variables were used to develop the model for Common Line Accumulated Amortization:

$$\% \text{ CL of Accumulated Amortization} = \frac{\text{Common Line Accumulated Amortization}}{\text{Interstate Accumulated Amortization}}$$

$$\% \text{ CL of Interstate 2001} = \frac{\text{Common Line Account 2001}}{\text{Interstate Account 2001}}$$

Exhibit 4.4 lists all variables tested as independent variables in these allocation factor models. Results are shown in Exhibits 4.5, 4.6, and 4.7.

Some models used independent variables designated by Part 69 rules. The Depreciation Expense models are examples of such models. According to Part 69 rules, Depreciation Expense is apportioned to access categories in proportion to related components of Telecommunications Plant in Service, the total of which is the independent variable in these models.

Other models use variables correlated with variables designated by Part 69 rules. The Category 3 Cable & Wire Facilities model is an example of such a model. The ratio of adjusted special access revenues to access minutes is correlated with the usage-based assignment prescribed by Part 69.

EXHIBIT 4.4 <u>INDEPENDENT VARIABLES TESTED IN MODEL DEVELOPMENT</u>	
<u>Variable Name</u>	<u>Calculation</u>
% Access of Interstate 2001	<u>Access Category Telecommunications Plant in Service</u> Total Interstate Telecommunications Plant in Service
% Access of Interstate Other Plant	<u>Access Category Telecommunications Plant – Other</u> Total Interstate Telecommunications Plant – Other
% Access of Interstate Big Three Expenses	<u>Access Category Big Three Expenses</u> Total Interstate Big Three Expenses
% Access of Interstate Big Three Expenses Less Services Expense	<u>Access Category Big Three Expenses Minus Services</u> Total Interstate Big Three Expenses Minus Services
% Access of Plant Specific Expense	<u>Access Category Plant Specific Expense</u> Total Interstate Plant Specific Expense
% Access of Plant Non-Specific Expense	<u>Access Category Plant Non-Specific Expense</u> Total Interstate Plant Non-Specific Expense
% Access of Customer Operations Expense	<u>Access Category Customer Operations Expense</u> Total Interstate Customer Operations Expense
Adjusted Special Access Revenues per Line	<u>Adjusted Special Access Revenues</u> Access Lines
Adjusted Special Access Revenues per Exchange	<u>Adjusted Special Access Revenues</u> Exchanges
Adjusted Special Access Revenues per Termination	<u>Adjusted Special Access Revenues</u> Terminations
Circuit Miles Per Line	<u>Circuit Miles</u> Access Lines
Circuit Miles Per Termination	<u>Circuit Miles</u> Terminations
Interstate Toll Circuit Miles Per Termination	<u>Interstate Circuit Miles + Joint Interstate Circuit Miles</u> Terminations
Normal Route Circuit Miles Per Termination	<u>Normal Route Circuit Miles</u> Terminations
Long Route Circuit Miles Per Termination	<u>Long Route Circuit Miles</u> Terminations
Host Remote Circuit Miles Per Termination	<u>Host Remote Circuit Miles</u> Terminations
Host Remote Circuits Per Termination	<u>Host Remote Circuits</u> Terminations
Normal Volume Minutes Per Line	<u>Normal Volume Minutes</u> Access Lines
High Volume Minutes Per Line	<u>High Volume Minutes</u> Access Lines

2. Part 69 Allocation Models

a. Expense and Reserve Models

Structured according to Part 69 allocation rules, these models related the percentage of interstate access category expenses or reserves to the respective percentage of interstate Telecommunications Plant in Service. The strength of these Part 69 models, as evidenced by the high *R-Square*, *F-statistic* and *t-statistic* values, is attributed to the very close relationship between the variables used in the model and the factors defined in the rules.

Exhibit 4.5 displays models developed for certain expense and reserve accounts.

EXHIBIT 4.5

PART 69 – EXPENSE AND RESERVE ALLOCATION MODELS

Accumulated Depreciation

%CL	=	0.957740	x	% CL of Interstate 2001
%CO	=	1.094434	x	% CO of Interstate 2001
%SA	=	0.958105	x	% SA of Interstate 2001
%TR	=	0.973243	x	% TR of Interstate 2001

	<u>R^2</u>	<u>F</u>	<u>t</u>	<u>Minimum</u>	<u>Maximum</u>
%CL Model	0.99	20,071	142	0.081266	0.970199
%CO Model	0.97	6,511	81	-0.032460	0.740219
%SA Model	0.99	16,826	130	0.000000	0.479091
%TR Model	0.99	23,629	154	0.000000	0.541415

Net Deferred Income Taxes

%CL	=	0.448089
%CO	=	0.315713
%SA	=	0.143706
%TR	=	0.092492

Accumulated Amortization

%CL	=	0.999733	x	% CL of Interstate 2001
%CO	=	1.003747	x	% CO of Interstate 2001
%SA	=	1.000001	x	% SA of Interstate 2001
%TR	=	1.000141	x	% TR of Interstate 2001

	<u>R^2</u>	<u>F</u>	<u>t</u>	<u>Minimum</u>	<u>Maximum</u>
%CL Model	1.00	4,134,765	2,033	0.083897	0.648852
%CO Model	1.00	1,618,441	1,272	0.051318	0.704774
%SA Model	1.00	7,061,517	2,657	0.002752	0.474714
%TR Model	1.00	1.211E7	3,480	0.002545	0.578014

Depreciation and Amortization Expense

%CL	=	-0.046616	+	0.944845	x	% CL of Interstate 2001
%CO	=	0.066182	+	1.042425	x	% CO of Interstate 2001
%SA	=	1.001653	x	% SA of Interstate 2001		
%TR	=	0.002980	+	0.934407	x	% TR of Interstate 2001

	<u>R^2</u>	<u>F</u>	<u>t</u>	<u>Minimum</u>	<u>Maximum</u>
%CL Model	0.90	1,754	42	0.046371	0.876015
%CO Model	0.81	798	28	0.000000	0.848443
%SA Model	0.98	9,624	98	0.000000	0.486936
%TR Model	0.96	4,633	68	0.000000	0.703928

EXHIBIT 4.5 (Continued)

PART 69 – EXPENSE AND RESERVE ALLOCATION MODELS

Services Expenses

%CL	=	0.074350	+	0.292685	x	% CL of Interstate 2001
%CO	=	0.082735	+	0.551566	x	% CO of Interstate 2001
%SA	=	0.012488	+	0.517668	x	% SA of Interstate 2001
%TR	=	0.013111	+	0.546418	x	% TR of Interstate 2001

	<u><i>R</i>²</u>	<u><i>F</i></u>	<u><i>t</i></u>	<u>Minimum</u>	<u>Maximum</u>
%CL Model	0.14	30	5.49	0.000000	0.635380
%CO Model	0.37	111	10.53	0.008532	0.664238
%SA Model	0.37	113	10.64	0.000000	0.469608
%TR Model	0.70	455	21.34	0.000000	0.319191

b. Central Office Equipment Models

Exhibit 4.6 lists those categories of Central Office Equipment that require models. Direct assignment rules used for other categories are summarized in Exhibit 6.5.

For combined COE Categories 4.11 and 4.12, NECA developed weighted average allocation fractions because the data did not display significant correlations with other variables.

For COE Category 2 - Tandem Switching Equipment, the allocation was 100 percent transport.

EXHIBIT 4.6

PART 69 – CENTRAL OFFICE EQUIPMENT ALLOCATION MODELS

COE Category 1 - Operator Systems

%CL = 0.00
%CO = 0.709303
%SA = 0.00
%TR = 0.00

Category 2 - Tandem Switching Equipment

%CL = 0.00
%CO = 0.00
%SA = 0.00
%TR = 1.000000

Category 4.11 and 4.12 - Exchange Circuit

If Adjusted Special Access Revenues are not equal to zero:

%CL = 0.00
%CO = 0.00
%SA = 0.999823
%TR = 0.000177

If Adjusted Special Access Revenues equal zero:

%CL = 0.00
%CO = 0.00
%SA = 0.00
%TR = 1.00

Category 4.13 - Exchange Line Circuit Equipment Excluding Wideband

R^2 F t

If Adjusted Special Access Revenues are not equal to zero:

%CL	=	0.989575	–	0.004777	x	Adjusted SA Revenues per Line	0.22	52.40	-7.24
%CO	=	0.00							
%SA	=	0.010425	+	0.004777	x	Adjusted SA Revenues per Line	0.22	52.40	7.24
%TR	=	0.00							

If Adjusted Special Access Revenues equal zero:

%CL = 1.00
%CO = 0.00
%SA = 0.00
%TR = 0.00

EXHIBIT 4.6 (Continued)

PART 69 – CENTRAL OFFICE EQUIPMENT ALLOCATION MODELS

Category 4.2 - Interexchange Circuit Equipment

R^2 F t_1 t_2

If Adjusted Special Access Revenues are not equal to zero:

%CL	=	0.00							
%CO	=	0.00							
%SA	=	0.280927	+	0.001448	x	Circuit Miles per Termination	0.11	10.82	2.51 3.45
				+ 0.000924	x	Adjusted SA Revenues per Termination			
%TR	=	0.719073	-	0.001448	x	Circuit Miles per Termination	0.11	10.82	-2.51 -3.45
				- 0.000924	x	Adjusted SA Revenues per Termination			

If Adjusted Special Access Revenues equal zero:

%CL	=	0.00
%CO	=	0.00
%SA	=	0.00
%TR	=	1.00

c. Cable & Wire Facilities Models

Exhibit 4.7 lists all categories of Cable & Wire Facilities that require models. Categories not displayed are directly assigned by Part 69 rules as summarized in Exhibit 6.5.

For Category 2 - Wideband and Exchange Trunk, NECA used weighted averages because the data did not demonstrate any significant correlations.

For Category 4 - Host/Remote Message, the allocation was 100 percent transport.

The separations and allocation models defined in this section were used to develop the Part 36 and Part 69 costs for sample average schedule companies, as described in Section VI.

EXHIBIT 4.7

PART 69 - CABLE & WIRE FACILITIES ALLOCATION MODELS

Category 2 - Wideband and Exchange Trunk

If Adjusted Special Access Revenues are not equal to zero:

$$\begin{aligned}\%CL &= 0.00 \\ \%CO &= 0.00 \\ \%SA &= 0.999051 \\ \%TR &= 0.000949\end{aligned}$$

If Adjusted Special Access Revenues equal zero:

$$\begin{aligned}\%CL &= 0.00 \\ \%CO &= 0.00 \\ \%SA &= 0.00 \\ \%TR &= 1.00\end{aligned}$$

Category 3 - Interexchange

R^2 F t_1 t_2

If Adjusted Special Access Revenues are not equal to zero:

$$\begin{aligned}\%CL &= 0.00 \\ \%CO &= 0.00 \\ \%SA &= 0.110932 + 0.001227 \times \text{Circuit Miles per Termination} & 0.21 & 24.07 & 2.12 & 5.95 \\ & \quad + 0.001940 \times \text{Adjusted SA Revenues per Termination} \\ \%TR &= 0.889068 - 0.001227 \times \text{Circuit Miles per Termination} & 0.21 & 24.07 & -2.12 & -5.95 \\ & \quad - 0.001940 \times \text{Adjusted SA Revenues per Termination}\end{aligned}$$

If Adjusted Special Access Revenues equal zero:

$$\begin{aligned}\%CL &= 0.00 \\ \%CO &= 0.00 \\ \%SA &= 0.00 \\ \%TR &= 1.00\end{aligned}$$

Category 4 - Host/Remote Message

$$\begin{aligned}\%CL &= 0.00 \\ \%CO &= 0.00 \\ \%SA &= 0.00 \\ \%TR &= 1.00\end{aligned}$$

F. Additional Account Adjustments

NECA used cost study data to determine three account adjustment factors described below. These factors are used to develop average schedule revenue requirements as described in Section V.B.2.

1. Interest on Customer Deposits

The operating portion of total Interest and Related Items was further multiplied by a factor of 0.007724 to calculate Interest on Customer Deposits. Interest on Customer Deposits receives different treatment than other Interest expense in the Commission's rules governing revenue requirement calculation and hence must be derived for average schedule companies. The factor was calculated as the weighted average fraction of Interest on Customer Deposits to Interest and Related Items from sample 2003 cost study data. This factor is applied to Average Schedule Company Total Interest and Related Items.

2. Investment Tax Credits

The uniform system of accounts does not prescribe the reporting of Investment Tax Credit (ITC). Although ITC data are developed in reports of income tax liabilities, these amounts are not reported by Average Schedule study areas. Consequently, NECA used a factor based on sample cost companies to estimate Average Schedule amounts of ITC. The factor of 0.000127 was calculated as the ratio of weighted unseparated ITC over weighted unseparated Net Plant from 2003 Cost Study data. This factor is applied to Average Schedule Company Total Net Plant amounts.

3 Charitable Contributions

Similarly, not all sample average schedule companies separately record amounts of Charitable Contributions. Since the charitable contribution data are available from cost companies, a factor based on sample cost companies was developed to estimate Average Schedule amounts of charitable contributions. The factor of 0.001751 was calculated as the weighted ratio of unseparated charitable contributions over unseparated Expenses and Other Taxes (EOT) from 2003 Cost Study data. This factor is applied to Average Schedule Company Total EOT amounts.

G. Cost Study Factors

Three cost study factors were used in Section VII.J to allocate SS7 costs to the interstate jurisdiction and to apply loading for maintenance and corporate operations expenses. These factors were developed from weighted sample cost company cost studies as shown in Exhibit 4.8.

EXHIBIT 4.8

DEVELOPMENT OF SS7 COST STUDY FACTORS

$$\begin{aligned} \text{COE Switching Factor} &= \frac{\Sigma[(\text{Sample Weight}) \times (\text{Interstate COE Cat. 3})]}{\Sigma[(\text{Sample Weight}) \times (\text{Unseparated COE Cat. 3})]} \\ &= 0.535500 \end{aligned}$$

$$\begin{aligned} \text{COE Maintenance Factor} &= \frac{\Sigma[(\text{Sample Weight}) \times (\text{Central Office Equipment Expense})]}{\Sigma[(\text{Sample Weight}) \times (\text{Central Office Equipment Investment})]} \\ &= 0.080211 \end{aligned}$$

$$\begin{aligned} \text{COE Corporate Operations Factor} &= \frac{\Sigma[(\text{Sample Weight}) \times (\text{CO Corporate Operations Expense})]}{\Sigma[(\text{Sample Weight}) \times (\text{CO Telecom. Plant In Service})]} \\ &= 0.062637 \end{aligned}$$

An additional cost study factor was developed to calculate the average effective Federal Income Tax rate. The effective tax rate is defined as the total tax payment over total income. To estimate the effective tax rate for average schedule companies, the 2003 cost study data of sample cost companies that are subject to federal income tax were used. The average effective tax rate was calculated as the mean of sample cost companies' effective tax rates weighted by both total average net investment and sample weight. The average effective tax rate is used to calculate Average Schedule Company Federal Income Tax in Section VI. F.

$$\begin{aligned} \text{Average Effective Tax Rate} &= \frac{\Sigma[(\text{Tax rate}) \times (\text{Sample Weight}) \times (\text{Total Average Net Investment})]}{\Sigma[(\text{Sample Weight}) \times (\text{Total Average Net Investment})]} \\ &= 0.327674 \end{aligned}$$

V. DATA PROJECTIONS

A. Introduction

For average schedule settlement formula development, NECA used historical demand and accounting data from average schedule study areas. Demand data used were those accepted by NECA from companies for monthly settlements. Accounting data were taken from the financial statements prepared by individual carriers and submitted as a part of NECA's annual data collection.

These sources of data are preferred over budgets or forecasts done by the exchange carriers because they reflect each carrier's actual cost and demand levels and reduce the burden on individual study areas caused by additional requests.

NECA used these data to uniformly develop test period projections of account balances and demand.

The test period for the 2005 Study is the year beginning July 1, 2006 and ending June 30, 2007, the period when the settlement formulas from this study would be in effect. Settlement formulas derived from these projected data will be used to calculate monthly settlements for each carrier during the upcoming test period.

This study continues using the stratified method of account growth analysis introduced in the 2000 Study. The Sample companies were assigned to strata, based on access line size, and a separate set of growth ratios was calculated for each stratum. This stratification improves the overall accuracy of account growth forecasts because account balance growth tends to vary according to company size.

For additional reliability, NECA computed stratified composite average growth ratios by separately averaging 2004 Sample growth ratios with 2003 Sample growth ratios. These composite growth ratios were then applied to the accounts of individual sample study areas to calculate test period account values. A description of this method is included in Section V.B.

Test period demand projections were based on trends measured from a multi-year history of the average schedule population. Historical demand data taken from data reported to the NECA pool were used to develop growth models and calculate multi-year growth ratios. These multi-year growth ratios were multiplied by the average base period demand value of each sample average schedule study area to calculate test period demand values. Sections V.C through V.H describe the use of these methods to forecast each demand variable. The forecasted data described in this section were used to calculate test period access category revenue requirements described in Section VI.F, and settlement formulas described in Section VII.

B. Account Forecasting

Year over year growth ratios were calculated for each account in each line size stratum of the 2004 Sample. Calculation of these ratios involved the Outlier Accommodation Method For Ratio Estimates, described in Section IV.C.2. To lower the variance found in growth ratios computed from a single sample, NECA used composite growth ratios developed by averaging the 2005 Study growth ratios with those developed in the 2004 Study.¹

1. Stratification of the 2004 Sample

In prior studies, NECA found that different growth trends were experienced by companies of different sizes. NECA introduced stratification into account growth analysis to reflect these

¹ Accounting data supplied by the 2004 Average Schedule Sample are reported in Appendices C1 and C2. Accounting data supplied by the 2003 Average Schedule Sample are reported in Appendices C4 and C5.

differences. The 2005 Study continues using this methodology. Study areas in the 2004 Sample were separated into three strata based on access line size as of December 2002, including all adjustments through December 2004.

- Stratum 1 - Study Areas with less than 4,000 access lines
- Stratum 2 - Study Areas with between 4,000 and 10,000 access
- Stratum 3 - Study Areas with more than 10,000 access lines

2. Account Adjustments

Before beginning this analysis of account adjustments, companies with stock acquisitions were excluded because of the impact of the acquisitions on the accounts. In order to include only telephone operating costs in this study, NECA apportioned the Interest and Related Items account between the operating and non-operating categories. NECA adjusted some total company accounts reported by sample study areas to remove costs that would not be included in cost studies and apportioned some accounts to subaccounts not provided by sample average schedule companies.

- For companies that reported a Federal Income Tax liability, NECA used the ratio of non-operating Federal Income Tax charges to total Federal Income Tax charges to adjust the Interest and Related Items. For other average schedule companies NECA used the average ratio of Non-Operating Federal Income Tax Charges to Total Federal Income Tax Charges of average schedule companies that did report a liability.

- The FCC rules governing the calculation of interstate revenue requirements mandate different treatment for Interest on Customer Deposits than for other Operating Interest and Related Items.² Since sample average schedule companies do not provide separate subaccount data for Interest on Customer Deposits, this subaccount was derived by applying a factor, 0.007724, to Operating Interest and Related Items. This factor was derived for this purpose from sample cost company cost studies, as described in Section IV.F.1.
- The amount of Federal Investment Tax Credits (FITC) for average schedule companies was derived based on the average ratio of FITC to Net Investment reported by sample cost companies. The development of this ratio, 0.000127, was discussed in Section IV.F.2.
- The amount of Charitable Contributions included in Account 7370, Non-Operating Income and Expense, was derived based on the average ratio of Contributions to Expenses and Other Taxes reported by sample cost companies. The development of this ratio, 0.001751, was discussed in Section IV.F.3.
- The account balances of Information Origination/Termination investment and expense were set to zero for all sample study areas, because the trend of reduction displayed by these accounts would produce zero account balances during the July 2006 to June 2007 test period.

² See 47 C.F.R. §§ 65.820 and 65.830.

- The amount of State Income Taxes (SIT) for sample Subchapter S companies was derived based on the average ratio of SIT to Expense (Plant Specific expense, Non-Plant Specific expense, Customer Operations expense, Corporate Operations expense plus Depreciation & Amortization expense) reported by other Sample average schedule companies. The resulting factors of 0.034015 for 2003 and 0.035691 for 2002 were multiplied by Expense to calculate SIT for each sample Subchapter S study area.

3. Identification and Accommodation of Outliers

Annual growth ratios were calculated for Part 32 accounts using 2002 and 2003 accounting data from the 2004 Sample. To ensure that no company's data exerted undue influence on these ratios, NECA applied an Outlier Accommodation Method, first introduced in the 1998 Study and described in Section IV.C.2, which reduced the relative weight of highly influential points and allowed them to be included in account growth ratio development.

In the first step of this process, NECA computed 2002 and 2003 unseparated revenue requirement amounts for each 2004 Sample study area in each stratum, using the revenue requirement calculation method described in Section VI.F of this Filing. An average unseparated revenue requirement growth ratio was calculated for each stratum of the 2004 Sample as follows:

2004 SampleAverageRevenueRequirementGrowthRatio_i =

$$\frac{\sum_{\text{Stratum}_i} (\text{SampleWeight}_i \times \text{VarianceWeight}_i \times 2003 \text{ Unseparated RevenueRequirement})}{\sum_{\text{Stratum}_i} (\text{SampleWeight}_i \times \text{VarianceWeight}_i \times 2002 \text{ Unseparated RevenueRequirement})}$$

Variance weights were obtained by applying the Outlier Accommodation Method For Ratio Estimates (described in Section IV.C.2). These variance weights, which were calculated based on relative growth in unseparated revenue requirement, were then used in the calculation of all account growth ratios.

The data for subchapter S companies was excluded from the calculation of the Other Taxes growth rate, since the SIT component of Other Taxes for these study areas was imputed as described in section V.B.2.

4. Account Groupings

A separate annual growth ratio was computed for most accounts using the combined ratio estimate technique, described in Section V.B.5. The remaining accounts, which typically exhibited wider than average variations in year over year growth from sample to sample, were assigned to account groupings and then a growth ratio for each group was calculated. Exhibit 5.1 shows the account groupings used.

EXHIBIT 5.1

ACCOUNT GROUPINGS FOR GROWTH CALCULATION

Account Group	Accounts Included in Group	Part 32 Account Number
Accumulated Depreciation & Amortization	Accumulated Depreciation – Telecommunications Plant in Service Accumulated Depreciation – Held for Future Telecommunications Use Accumulated Amortization – Tangible Accumulated Amortization – Intangible Accumulated Amortization – Other	3100 3200 3400 3500 3600
Plant Specific Expense	Network Support Expense General Support Expense Central Office Equipment Expense Cable & Wire Facilities Expense	6110 6120 6210, 6220, 6230 6410
Plant Non-Specific Expense	Other Property, Plant and Equipment Expense Network Operations Expense	6510 6530
Customer Operations Expense	Marketing Expense Services Expense	6610 6620
Corporate Operations Expense	Executive & Planning Expense General & Administrative Expense	6710 6720
Other Telecommunications Plant	Deferred Maintenance and Retirement Property Held for Future Telecommunications Use Telecommunications Plant Under Construction Telecommunications Plant Adjustment	1438 2002 2003 2005
Other Operating Taxes	Operating State and Local Income Taxes Operating Other Taxes	7230 7240
Net Deferred Income Taxes	Net Current Deferred Operating Income Taxes Net Non-Current Deferred Operating Income Taxes Other Jurisdictional Liabilities and Deferred Credits	4100 4340 4370
GSF and Tangibles	General Support Facilities Amortizable Tangible Assets	2110 2680
COE and Intangibles	Central Office Equipment Intangibles	2210-2230 2690
Total Plant	Materials & Supplies RTB Stock Telecommunications Plant in Service Other Telecommunications Plant	1220 1402 2001 2002, 2003, 2005

5. The 2004 Sample Stratified Annual Growth Ratios

NECA used the combined ratio estimate technique to determine stratified annual growth rates. For the 2004 Sample, the Stratified Annual Growth Ratios were calculated within each stratum, using the following formula:

2004 Sample Stratified Annual Growth Ratio_i =

$$\frac{\sum_{\text{Stratum}_i} (\text{Sample Weight}_i \times \text{Variance Weight}_i \times 2003 \text{ Account Balance}_i)}{\sum_{\text{Stratum}_i} (\text{Sample Weight}_i \times \text{Variance Weight}_i \times 2002 \text{ Account Balance}_i)}$$

In Exhibit 5.2, the growth rates for the accounts were determined either directly by each account's own growth rate or assigned through the growth rates the account groups as in Exhibit 5.1. The growth rates of following account groups were applied to other accounts:

- A. Total Plant growth rate was applied to a) Other Telecommunications Plant, b) Charitable Contributions, c) Allowance for Funds Used During Construction (Nonoperating income and expense).
- B. Interest and Related Items growth rate was applied to Interest On Customer Deposit account.
- C. Net Telecommunications Plant growth rate was applied to a) Other Non-Current Assets, b) Other Long Term Liabilities c) Federal Investment Tax Credits, d) Dividends from Patronage Capital

Columns C, G and K of Exhibit 5.2 display the resulting 2004 Sample Stratified Annual Growth Ratios for each of the three access line size strata.

EXHIBIT 5.2
AVERAGE SCHEDULE ACCOUNT GROWTH RATIOS

	Small Study Areas			
	(A) 2003 Sample Annual Growth	(B) 2003 Sample Adjusted Growth	(C) 2004 Sample Annual Growth	(D) 2004 Composite Growth
Account				
Telecommunications Plant In Service	1.0678	1.0635	1.0613	1.0624
Land & Support Assets	1.0807	1.0747	1.0380	1.0563
Central Office Equipment	1.0781	1.0724	1.0591	1.0658
Cable & Wire Facilities	1.0568	1.0537	1.0708	1.0623
Tangible Assets	1.0807	1.0747	1.0380	1.0563
Intangibles	1.0781	1.0724	1.0591	1.0658
Materials And Supplies	1.0798	1.0739	0.8654	0.9697
Rural Telephone Bank Stock	1.0796	1.0737	1.0000	1.0369
Other Telecommunications Plant	1.0677	1.0634	1.0595	1.0615
Total Telecommunications Plant	1.0677	1.0634	1.0595	1.0615
Other Non-Current Assets	1.0347	1.0335	1.0132	1.0234
Accum. Depreciation & Amortization	1.0947	1.0865	1.1022	1.0944
Net Telecommunications Plant	1.0347	1.0335	1.0132	1.0234
Net Deferred Operating Income Tax	1.1062	1.0960	1.0534	1.0747
Plant Specific Expense	1.0837	1.0772	1.0624	1.0698
Plant Non-specific Expense	1.1120	1.1007	1.1531	1.1269
Customer Service Expense	1.0564	1.0534	1.0040	1.0287
Corporate Operations Expense	1.0489	1.0466	1.0221	1.0344
Depreciation & Amortization Expense	1.0588	1.0555	1.0607	1.0581
Charitable Contributions	1.0677	1.0634	1.0595	1.0615
Interest & Related Items	0.8851	0.8702	0.9496	0.9099
Patronage Dividends	1.0347	1.0335	1.0132	1.0234
Interest On Customer Deposits	0.8851	0.8702	0.9496	0.9099
Other Long Term Liabilities	1.0347	1.0335	1.0132	1.0234
Federal Investment Tax Credits	1.0347	1.0335	1.0132	1.0234
Other Operating Taxes	0.9863	0.9861	1.0425	1.0143
Allow. For Funds Used During Const.	1.0677	1.0634	1.0595	1.0615
Expenses & Other Taxes	1.0635	1.0597	1.0440	1.0519
Revenue Requirement	1.0569	1.0538	1.0375	1.0457

EXHIBIT 5.2
AVERAGE SCHEDULE ACCOUNT GROWTH RATIOS
(Continued)

	Medium Study Areas			
	(E) 2003 Sample Annual Growth	(F) 2003 Sample Adjusted Growth	(G) 2004 Sample Annual Growth	(H) 2004 Composite Growth
Account				
Telecommunications Plant In Service	1.0898	1.0824	1.0441	1.0633
Land & Support Assets	0.9837	0.9834	1.0499	1.0167
Central Office Equipment	1.1388	1.1219	1.0615	1.0917
Cable & Wire Facilities	1.0958	1.0874	1.0321	1.0598
Tangible Assets	0.9837	0.9834	1.0499	1.0167
Intangibles	1.1388	1.1219	1.0615	1.0917
Materials And Supplies	0.9254	0.9194	0.9549	0.9371
Rural Telephone Bank Stock	1.0828	1.0765	1.0000	1.0382
Other Telecommunications Plant	1.0864	1.0795	1.0431	1.0613
Total Telecommunications Plant	1.0864	1.0795	1.0431	1.0613
Other Non-Current Assets	1.0739	1.0688	0.9878	1.0283
Accum. Depreciation & Amortization	1.0934	1.0854	1.0817	1.0836
Net Telecommunications Plant	1.0739	1.0688	0.9878	1.0283
Net Deferred Operating Income Tax	1.2118	1.1748	1.0581	1.1164
Plant Specific Expense	1.1106	1.0996	1.0326	1.0661
Plant Non-specific Expense	1.1003	1.0912	1.1206	1.1059
Customer Service Expense	1.0032	1.0032	1.0615	1.0323
Corporate Operations Expense	1.0178	1.0175	1.0401	1.0288
Depreciation & Amortization Expense	1.0511	1.0486	1.0865	1.0676
Charitable Contributions	1.0864	1.0795	1.0431	1.0613
Interest & Related Items	0.8708	0.8516	1.0472	0.9494
Patronage Dividends	1.0739	1.0688	0.9878	1.0283
Interest On Customer Deposits	0.8708	0.8516	1.0472	0.9494
Other Long Term Liabilities	1.0739	1.0688	0.9878	1.0283
Federal Investment Tax Credits	1.0739	1.0688	0.9878	1.0283
Other Operating Taxes	1.0712	1.0665	1.2149	1.1407
Allow. For Funds Used During Const.	1.0864	1.0795	1.0431	1.0613
Expenses & Other Taxes	1.0495	1.0472	1.0620	1.0546
Revenue Requirement	1.0610	1.0575	1.0498	1.0536

EXHIBIT 5.2
AVERAGE SCHEDULE ACCOUNT GROWTH RATIOS
(Continued)

	Large Study Areas			
	(I) 2003 Sample Annual Growth	(J) 2003 Sample Adjusted Growth	(K) 2004 Sample Annual Growth	(L) 2004 Composite Growth
Account				
Telecommunications Plant In Service	1.0685	1.0641	1.0476	1.0559
Land & Support Assets	1.0474	1.0453	1.0855	1.0654
Central Office Equipment	1.0844	1.0778	1.0495	1.0637
Cable & Wire Facilities	1.0625	1.0588	1.0359	1.0474
Tangible Assets	1.0474	1.0453	1.0855	1.0654
Intangibles	1.0844	1.0778	1.0495	1.0637
Materials And Supplies	0.8391	0.8082	0.9055	0.8569
Rural Telephone Bank Stock	1.0953	1.0870	1.1463	1.1167
Other Telecommunications Plant	1.0661	1.0620	1.0466	1.0543
Total Telecommunications Plant	1.0661	1.0620	1.0466	1.0543
Other Non-Current Assets	0.9952	0.9952	0.9912	0.9932
Accum. Depreciation & Amortization	1.1211	1.1080	1.0967	1.1024
Net Telecommunications Plant	0.9952	0.9952	0.9912	0.9932
Net Deferred Operating Income Tax	1.2089	1.1728	0.9075	1.0402
Plant Specific Expense	1.0427	1.0410	1.0129	1.0269
Plant Non-specific Expense	1.0456	1.0436	1.1684	1.1060
Customer Service Expense	1.0041	1.0041	1.0186	1.0113
Corporate Operations Expense	1.1027	1.0931	1.0024	1.0478
Depreciation & Amortization Expense	1.0141	1.0139	1.0258	1.0199
Charitable Contributions	1.0661	1.0620	1.0466	1.0543
Interest & Related Items	0.8292	0.7940	0.9275	0.8608
Patronage Dividends	0.9952	0.9952	0.9912	0.9932
Interest On Customer Deposits	0.8292	0.7940	0.9275	0.8608
Other Long Term Liabilities	0.9952	0.9952	0.9912	0.9932
Federal Investment Tax Credits	0.9952	0.9952	0.9912	0.9932
Other Operating Taxes	1.0486	1.0463	0.9956	1.0210
Allow. For Funds Used During Const.	1.0661	1.0620	1.0466	1.0543
Expenses & Other Taxes	1.0407	1.0391	1.0276	1.0334
Revenue Requirement	1.0324	1.0314	1.0194	1.0254

6. The 2005 Study Stratified Composite Growth Ratios

NECA uses composite growth ratios from two annual samples to provide more stable account growth estimates and substantially smaller statistical variance. Derivation of composite growth rates entails adjusting 2003 Sample annual straight line growth ratios to the next year, and averaging these adjusted growth ratios with the 2004 Sample Stratified Growth Ratios.

The 2003 Sample Stratified Annual Growth Ratios, representing growth from 2001 to 2002, are shown in Columns A, E and I of Exhibit 5.2. Each of these growth ratios was adjusted forward one year to reflect the equivalent straight line rate of growth from 2002 to 2003. This adjustment method is illustrated in Exhibit 5.3, using the Central Office Equipment (COE) investment growth ratio for small study areas, as an example.³ Adjusted 2003 Sample Stratified Annual Growth Ratios are displayed in Columns B, F and J of Exhibit 5.2.

³ NECA used a straight-line forecasting method to project average schedule accounts, because it has less risk of over-estimating accounts.

EXHIBIT 5.3

ADJUSTMENT OF 2003 SAMPLE STRATIFIED ANNUAL GROWTH RATIOS FOR STUDY AREAS WITH LESS THAN 4,000 ACCESS LINES USING COE INVESTMENT AS AN EXAMPLE

A. 2003 Sample Stratified Small Company Annual Growth Ratios (2001 to 2002)	1.0781
B. 2003 Sample Stratified Small Company Two Year Growth Ratios (2001 to 2003) { 2 x (Line A - 1) } + 1	1.1562
C. Adjusted 2003 Sample Stratified Small Company Annual Growth Ratio (Line B/Line A)	1.0724

This Study developed composite growth ratios for each account within each access line size stratum. A composite growth ratio is the arithmetic average of the Adjusted 2003 Sample Stratified Annual Growth Ratio and the related 2004 Sample Stratified Annual Growth Ratio.

An example of the composite growth ratio calculation, using the growth in COE investment reported by study areas with less than 4,000 access lines follows.

2005 Study Stratified Composite Growth Ratio for Stratum 1

$$\begin{aligned} &= \{ \text{Adjusted 2003 Stratified Stratum}_1 \text{ Growth Ratio} \\ &\quad + \text{2004 Stratified Stratum}_1 \text{ Annual Growth Ratio} \} / 2 \\ &= (1.0724 + 1.0591) / 2 \\ &= 1.0658 \end{aligned}$$

The 2005 Study Stratified Composite Growth Ratios are displayed in Columns D, H and L of Exhibit 5.2.

7. Other Growth Rates

For some accounting data from smaller accounts that exhibit significant year over year growth variation, NECA used growth ratios derived from other logically related accounts to reduce significant sample variance.

- The test period values for Contributions, Allowance for Funds Used During Construction and Other Telecommunications Plant were calculated using the growth rate calculated for Total Plant.
- Interest on Customer Deposits values were projected using the growth rate developed for Interest and Related Items.
- Patronage Dividends, Federal Investment Tax Credit, Other Non-Current Assets and Other Long Term Liabilities were projected at the same rate as Net Telecommunications Plant.
- Test period values for Provision for Deferred Operating Income Taxes were calculated using the Other Operating Taxes growth ratio.

8. Stratified Multi-year Growth Ratios

NECA derived stratified multi-year growth ratios to estimate test period costs from the historical accounting data submitted by study areas. For the 2002 accounts submitted by the 2003 Sample, the multi-year growth rates reflect the fact that the test period extends four and

one-half years beyond the end of 2002. For accounts in each stratum of the 2004 Sample multi-year growth ratios reflect three and one-half years between the end of 2003 and the test period. The calculation for multi-year growth ratios is as follows:

For 2003 Accounts:

$$\begin{aligned} 2003 \text{ Stratified Multi-year Growth Ratio}_i = \\ 1 + [(2005 \text{ Study Stratified Composite Growth Ratio}_i - 1) \times 3.5] \end{aligned}$$

For 2002 Accounts:

$$\begin{aligned} 2002 \text{ Stratified Multi-year Growth Ratio}_i = \\ 1 + [(2005 \text{ Study Stratified Composite Growth Ratio}_i - 1) \times 4.5] \end{aligned}$$

9. Account Forecasting

NECA prepared a forecast of each account for each sample study area. The forecasted data represents the average month of the test period. Prior to forecasting, study areas included in the 2003 Sample were separated into access line size strata based on the number of lines reported in the final view (December 2004) of settlements in December 2002. The forecasted amounts in each stratum were computed by multiplying the 2002 account balance by the 2002 Stratified Multi-year Growth Ratio by stratum.

Similarly, study areas from the 2004 Sample were first assigned to access line strata and then projected to the test period by multiplying the 2003 account balance by the corresponding multi-year growth ratio. The set of composite multi-year growth ratios used to project a study area's account balances from the 2004 Sample were chosen based on the study area's access line size, as reported for settlements in December 2002 and including all adjustments

through December 2004.

Study Area Forecast of 2003 Account =

(Study Area 2003 Account Value) x (2003 Stratified Multi-year Growth Ratio_i)

Study Area Forecast of 2002 Account =

(Study Area 2002 Account Value) x (2002 Stratified Multi-year Growth Ratio_i)

Section VI.F describes the computation of revenue requirements using forecasted accounts.

C. Access Minute Forecasting

To forecast traffic sensitive access minutes of use, NECA developed an econometric model based on the historical growth of access minutes from the average schedule population. This model was used to prepare an Access Minute Growth Ratio, which was used to forecast Average Schedule sample study area minutes to the test period.⁴ The modeling process and calculation of forecasts are described below.

1. Econometric Model for Access Minutes

Traffic sensitive access minutes data reported to the NECA pool by the population⁵ of

⁴ Access Minute Growth Ratios for NECA average schedule companies were derived using the econometric modeling techniques that support NECA's Annual Tariff Filing. *See, e.g.*, National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 1077, filed June 16, 2005 at Vol. 3, Sec. 3, p. 8.

⁵ NECA did not use outlier accommodation during the development of growth models for demand data. Data points in demand trend analyses were population aggregate values by month, which are virtually free from influence by changes of individual study areas.

average schedule companies from January 1999 through January 2005, including all adjustments through August 2005, were used to develop the model. These data are displayed in Appendix D4.

In this model, the Natural Log of access minutes was the dependent variable. The independent variables were Natural Log of Real Disposable Personal Income (Income), Natural Log of Real Price Index for Long Distance Services (Price), Natural Log of Real Price Index of Cellular Services, Natural Log of Employment, a constant term and eleven seasonal dummy variables. The price, income and employment variables are national aggregates. To perform these calculations, the following data were used:

1. Consumer Price Index (CPI) – Macroeconomic Advisers, LLC (MA) provides a measure of the rate of inflation to NECA in their February 2005 view. The U.S. Government Bureau of Labor Statistics is the original source for the historical data and MA is the developer of the forecast data. The CPI series is used in the model to adjust the price and income variables for inflation.
2. Real Price Index – The nominal price index for long distance services is constructed using the interstate components of the Bureau of Labor Statistics for Producer Price Index for Telephone Communications. The nominal series are converted into real prices by dividing the nominal long distance price series by the CPI series.
3. Real Disposable Personal Income – MA's February 2005 view of the outlook for nominal disposable income is adjusted for inflation using the CPI index.

4. Employment – The Bureau of Labor Statistics compiles historical data on employment. MA projects employment for the forecast period using an econometric model that links employment level to the growth in Gross Domestic Product (GDP) and National Income. The projections of employment were obtained from MA’s February 2005 economic outlook.
5. Real Price Index of Cellular Services – Because of the limitations of the available data, the nominal price index for cellular services is constructed by splicing together two separate series:
 - A series developed from the Cellular Telecommunications & Internet Association (CTIA) semi-annual data on Average Local Monthly Bills.⁶ The CTIA series covers the time periods prior to June of 1999. The data has been collected by CTIA since June of 1987 in June and December of each year. Values for months in which the data was not collected were estimated by linear interpolation, and,
 - The BLS series for “Cellular and other wireless voice grade services”, covering the time span from June of 1999 to the present.⁷

The complete spliced series was converted into a real price series by dividing the nominal cellular price indices by the CPI series. It is assumed that the nominal price of cellular services will not change during the forecast period of the model.

⁶ Cellular Telecommunications & Internet Association, CTIA’S Semi-Annual Wireless Industry Survey Results – June 1985 to June 2005. <http://files.ctia.org/pdf/CTIAMidYear2005Survey.pdf>.

⁷ Rod Meaney, et.al., Producer Price Index Detailed Report – Data for September 2001, U.S. Department of Labor, Bureau of Labor Statistics, Cellular and Other Wireless Voice Grade Services, Series ID:pcu5172125172121, 1999 to 2005, August 2005. <http://data.bls.gov/cgi-bin/srgate>.

6. Seasonal Dummy Variables – Eleven seasonal dummy variables for the months of February through December are used to capture monthly patterns in the data that repeat across the years.

The lag structure for real price is 9 months, while that of real disposable income is 3 months.

The lag structure for employment is 9 months, while the lag structure for real cellular prices is also set at 6 months. The sign of the cellular price variable is positive, since wireless services can be used as a substitute for land-line services. In other words, a decline in the price of cellular services will reduce the demand for access service. The model was corrected for autocorrelation.

The coefficient of each independent variable in the model is its elasticity relative to access minutes, and represents the percent change in access minutes resulting from a percent change in each independent variable.

Model coefficients together with the diagnostic *t*-statistic, *F*-statistic and *R*-Square statistics are given in Exhibit 5.4. The model fits the data well, explaining most of the variance in access minutes. The F-statistic shows that this regression is statistically significant at the 99 percent confidence level.

2. Access Minute Growth Ratios

An access minute growth ratio was used to project demand to the test period. Because average schedule sample study area demand data were collected for the base period (July 2004 through June 2005), an access minute growth ratio was developed to project access

minutes data from the average month of the base period to the average month of the test period. The calculation of the access minutes growth ratio is described below.

EXHIBIT 5.4 <u>ACCESS MINUTES ECONOMETRIC MODEL</u>		
Variable	Coefficient	T-Statistic
Log Real Price	-.00785	-1.96
Log Real Income	0.3275	1.50
Log of Real Price of Cellular Services	0.3757	3.16
Log of Employment	2.8627	7.15
Constant	-15.3897	-3.30
February	-0.0074	-0.94
March	-0.0293	-3.61
April	-0.0172	-2.11
May	-0.0425	-5.21
June	-0.0278	-3.41
July	-0.0251	-3.07
August	0.0117	1.44
September	0.0028	0.34
October	-0.0235	-2.87
November	-0.0385	-4.70
December	-0.0346	-4.36
$R^2 = 0.8682$ F-statistic = 28.32 Durbin-Watson = 1.97		

The econometric model was used to estimate access minutes for a consistent sample of companies in each month of the base period as well as for each month of the test period. NECA used the model's twelve month access minute totals for the base period and the test period to arrive at an Access Minute Growth Ratio.

The Access Minute Growth Ratio was calculated by dividing the test period value by the base period value, as follows:

$$\begin{aligned}\text{Access Minute Growth Ratio} &= \frac{\text{Annual Modeled Access Minutes 7/06 - 6/07}}{\text{Annual Modeled Access Minutes 7/04 - 6/05}} \\ &= \frac{4,701,007,333}{4,785,672,342} \\ &= 0.9823\end{aligned}$$

NECA used the Access Minute Growth Ratio to project access minutes data for each sample study area. The base period monthly average access minutes⁸ value of each study area was multiplied by the Access Minute Growth Ratio to determine its test period monthly average access minutes. NECA used test period access minutes of each average schedule sample study area to evaluate allocation models, as described in Section VI, and to derive several Traffic Sensitive settlement formulas as described in Section VII.

D. Stratified Access Line Forecasting

NECA forecasted access lines of sample study areas using Stratified Access Line Growth Ratios, which measure the relative growth of access lines from the average month of the base period to the

⁸ These data are displayed in Appendix D1.

average month of the test period within each stratum of average schedule companies. The use of a stratified approach was introduced in the 2000 Study in order to improve the accuracy of access line forecasts, after differences with respect to access line growth were observed among large and small study areas.⁹

In the 2000 Study, NECA tested several stratification models containing various breakpoints and found that the most statistically significant differences in access line growth rates occurred when 1,000 and 7,500 access lines were used to group sample study areas. NECA continues to use breakpoints that were adopted in response to tests performed during the past several years.

Stratified growth models were developed by fitting a regression model to historical monthly access line values of the average schedule study areas in each stratum. The three year historical time period from July 2002 through June 2005, including all adjustments made through July 2005 were used to develop the model. NECA found that the rate of growth in access lines reported for settlements each month by large companies (average schedule companies with more than 7,500 access lines) decreased significantly starting in May 2004, while medium size average schedule companies (average schedule companies with access lines between 1,000 and 7,500) started reporting significant decreases in August 2003. As a result, NECA added trend change indicators to the access line model structures to capture the impact of the reported decreases on the overall strata growth ratios. Then NECA derived the following models and access line growth rates, using the regression data displayed in Exhibit 5.5A, to estimate base period to test period growth for the average schedule population:

⁹ See National Exchange Carrier Association, Inc., 2001 Modification of Average Schedules, December 28, 2000, Sec. V.D at p 18.

If Access Lines are less than or equal to 1,000

$$\text{Monthly Access Lines} = 85,603 - (127.76 \times \text{Month Sequence})$$

$$R^2 = 0.9506 \quad t\text{-statistic for Intercept} = 808.14 \quad F\text{-statistic} = 654.86 \\ t\text{-statistic for Month Sequence} = -25.59$$

If Access Lines are between 1,000 and 7,500

$$\text{Monthly Access Lines} = 769,247 - (222.33 \times \text{Month Sequence}) \\ - (847.64 \times \text{Trend Change Indicator})$$

Where Trend Change Indicator = 0, from July 2002 to July 2003
Trend Change Indicator = 1 for August 2003; 2 for September 2003, etc.

$$R^2 = 0.9706 \quad t\text{-statistic for Intercept} = 878.42 \quad F\text{-statistic} = 545.04 \\ t\text{-statistic for Month Sequence} = -2.46 \\ t\text{-statistic for Trend Change Indicator} = -7.08$$

If Access Lines are greater than 7,500

$$\text{Monthly Access Lines} = 1,630,125 - (2,053.65 \times \text{Month Sequence}) \\ - (1,442.42 \times \text{Trend Change Indicator})$$

Where Trend Change Indicator = 0, from July 2002 to April 2004
Trend Change Indicator = 1 for May 2004; 2 for June 2004; etc.

$$R^2 = 0.9954 \quad t\text{-statistic for Intercept} = 2,031.22 \quad F\text{-statistic} = 3,597.57 \\ t\text{-statistic for Month Sequence} = -37.20 \\ t\text{-statistic for Trend Change Indicator} = -11.16$$

EXHIBIT 5.5A
DEMAND DATA USED IN TIME SERIES MODELS – COMMON LINE

DATE	Common Line Month Sequence	Access Lines By Line Size Group		
		Small	Medium	Large
200207	1	85,452	770,846	1,623,252
200208	2	85,293	769,312	1,623,929
200209	3	85,126	769,268	1,625,892
200210	4	84,861	767,483	1,625,115
200211	5	84,666	767,982	1,621,361
200212	6	84,510	766,703	1,619,042
200301	7	84,458	766,130	1,616,063
200302	8	84,215	766,116	1,612,860
200303	9	84,334	766,471	1,612,048
200304	10	84,308	767,323	1,610,480
200305	11	84,439	766,997	1,608,597
200306	12	84,503	767,762	1,606,103
200307	13	84,362	765,236	1,601,024
200308	14	84,260	765,432	1,600,370
200309	15	83,858	765,218	1,599,535
200310	16	83,832	763,310	1,597,802
200311	17	83,626	762,014	1,594,440
200312	18	83,192	759,226	1,594,145
200401	19	82,875	758,796	1,591,014
200402	20	82,873	755,710	1,589,426
200403	21	82,756	757,619	1,587,837
200404	22	82,746	758,003	1,586,716
200405	23	82,880	757,593	1,584,443
200406	24	82,875	756,955	1,577,194
200407	25	82,909	756,538	1,573,309
200408	26	82,670	756,116	1,571,212
200409	27	82,700	753,362	1,565,570
200410	28	82,577	751,661	1,562,689
200411	29	81,817	749,099	1,558,095
200412	30	81,241	746,585	1,554,153
200501	31	81,329	744,360	1,551,391
200502	32	81,208	744,374	1,548,950
200503	33	81,119	742,994	1,545,510
200504	34	80,942	743,303	1,544,326
200505	35	81,067	743,082	1,541,317
200506	36	80,730	741,900	1,540,111

EXHIBIT 5.5B
DEMAND DATA USED IN TIME SERIES MODELS – TRAFFIC SENSITIVE

DATE	Traffic Sensitive Month Sequence	Normal Route Circuit Miles	Long Route Circuit Miles	Switched Circuit Terminations	Intertoll Dial Circuits
200207	1	3,886,367	1,067,750	121,469	22,083
200208	2	3,900,829	1,110,824	121,737	22,526
200209	3	3,977,148	1,108,549	122,441	22,440
200210	4	4,070,049	1,128,862	121,929	22,571
200211	5	4,108,397	1,125,619	122,567	22,377
200212	6	4,118,254	1,151,465	123,063	22,627
200301	7	4,261,126	1,142,119	125,431	22,999
200302	8	4,346,922	1,180,342	126,065	23,413
200303	9	4,336,054	1,178,917	125,798	23,590
200304	10	4,362,192	1,191,445	126,920	24,206
200305	11	4,384,422	1,218,827	127,189	24,340
200306	12	4,432,212	1,235,334	128,945	24,331
200307	13	4,449,400	1,281,767	128,688	24,255
200308	14	4,443,956	1,277,682	128,688	24,329
200309	15	4,472,800	1,282,098	128,857	24,395
200310	16	4,429,691	1,284,056	128,501	24,397
200311	17	4,462,099	1,273,422	128,405	24,451
200312	18	4,580,363	1,280,832	130,352	25,153
200401	19	4,741,785	1,284,560	132,654	26,649
200402	20	4,750,412	1,294,283	133,654	27,453
200403	21	4,870,540	1,321,832	135,733	28,457
200404	22	5,066,482	1,701,796	137,856	29,055
200405	23	5,098,406	1,753,594	137,736	28,833
200406	24	5,212,572	1,646,574	138,579	28,774
200407	25	5,200,436	1,648,902	138,359	29,151
200408	26	5,241,188	1,650,147	138,182	29,255
200409	27	5,341,342	1,651,919	138,255	29,121
200410	28	5,363,098	1,677,199	137,946	29,163
200411	29	5,477,776	1,719,354	138,547	29,456
200412	30	5,520,455	1,875,040	139,338	30,133
200501	31	5,580,289	1,894,387	138,444	29,961
200502	32	5,603,818	1,895,505	138,301	30,147
200503	33	5,632,150	1,884,808	139,856	31,162
200504	34	5,657,329	1,892,372	139,729	31,461
200505	35	5,706,882	1,890,133	139,820	31,432
200506	36	5,681,028	1,896,547	139,201	31,719

Using these access line regression models, the Stratified Access Line Growth Ratios were computed as follows:

Average of Month Sequence Numbers in Test Period (July 2006 to June 2007) = 54.5

Average of Month Sequence Numbers in Base Period (July 2004 to June 2005) = 30.5

2 Year Access Line Growth Ratio For Study Areas With Less Than 1,000 Access Lines

$$= \frac{\text{Access Line Modeled Avg. Month of 7/06 - 6/07}}{\text{Access Line Modeled Avg. Month of 7/04 - 6/05}}$$

$$= \frac{78,640 \text{ Access Lines}}{81,706 \text{ Access Lines}}$$

$$= 0.9625$$

2 Year Access Line Growth Ratio For Study Areas With 1,000 to 7,500 Access Lines

$$= \frac{\text{Access Line Modeled Avg. Month of 7/06 - 6/07}}{\text{Access Line Modeled Avg. Month of 7/04 - 6/05}}$$

$$= \frac{721,953 \text{ Access Lines}}{747,632 \text{ Access Lines}}$$

$$= 0.9657$$

2 Year Access Line Growth Ratio For Companies With More Than 7,500 Access Lines

$$= \frac{\text{Access Line Modeled Avg. Month of 7/06 - 6/07}}{\text{Access Line Modeled Avg. Month of 7/04 - 6/05}}$$

$$= \frac{1,471,322 \text{ Access Lines}}{1,555,228 \text{ Access Lines}}$$

$$= 0.9460$$

Next, average monthly base period access lines were computed for each sample study area, using the July 2005 view of data reported to the NECA pool from July 2004 through June 2005.¹⁰ Each sample company was then assigned to a stratum, based on its access line size. Forecasted test period average access lines for each sample study area was computed by multiplying base period average access lines by the appropriate Stratified Access Line Growth Ratio.

E. Circuit Mile Forecasting

In the 2000 Study, NECA initiated a method of forecasting normal route and long route circuit miles separately, based on analysis which indicated that they have different growth trends. In this Study, NECA continues analyzing normal route and long route circuit mile growth independently. NECA uses a threshold of 100 average circuit miles per circuit to distinguish low cost routes from normal cost routes. NECA's analysis of networks of companies with normal and low cost routes showed that a threshold of 100 circuit miles per circuit correctly classified only companies with low cost in the long route group, while at lower threshold levels, some companies with normal costs are incorrectly classified as low cost companies. Therefore, NECA continues to use 100 as the long route threshold. The total number of monthly circuit miles reported for settlements were split into normal route and long route circuit miles as follows:

If Circuit Miles are less than or equal to (100 x Interstate Circuits),

Then Normal Route Circuit Miles = Circuit Miles

And Long Route Circuit Miles = 0

¹⁰ These data are displayed in Appendix D1.

If Circuit Miles are more than (100 x Interstate Circuits),

Then Normal Route Circuit Miles = 100 x Interstate Circuits

And Long Route Circuit Miles = Total Circuit Miles - Normal Route Circuit Miles

1. Normal Route Circuit Mile Forecasting

NECA used a constrained regression model in forecasting normal route circuit miles. The following variables were used:

- Normal Route Circuit Mile counts - Monthly amounts were calculated from the settlement data submitted by average schedule companies from July 2002 through June 2005, including all adjustments through July 2005 (*See Exhibit 5.5B*).
- Dummy variables – One for each of three time periods (July 2002 to October 2003, November 2003 to March 2004, and April 2004 to June 2005). Each dummy variable equals 1 for their respective time period and 0 outside their time period. For example, dummy variable for April 2004 through June 2005 has a value of 1 for that time period and 0 before April 2004.
- Month Sequence variables – One for each of the three time spans (July 2002 to October 2003, November 2003 to March 2004, and April 2004 to June 2005). Each variable is a product of a sequentially assigned number and the dummy variable for the corresponding time span. The sequentially assigned number measures a time trend with Month Sequence 1 corresponding to July 2002 and Month Sequence 36 corresponds to June 2005,. For example, values for Month Sequence variable for the time span July 2002 to October 2003 are 1 for July 2002, 2 for August 2002, 3 for September 2002, ..., 16 for October 2003, and 0 after October 2003.

The two constraints imposed on the break points in the data, November 2003 and April 2004, can be expressed as:

$$A_1 + B_1 \times 17 = A_2 + B_2 \times 17$$

$$A_2 + B_2 \times 22 = A_3 + B_3 \times 22$$

Where A_1, A_2, A_3 are coefficients of Dummy variables and B_1, B_2, B_3 are the coefficients of Month Sequence variables for each of the three time spans.

The regression results for normal route circuit miles (NRCM) are as follows:

$$NRCM = 3,927,713 \times Dummy_1 + (36,332 \times Month Sequence_1) \quad \text{for 07/02 to 10/03}$$

$$NRCM = 2,824,799 \times Dummy_2 + (101,210 \times Month Sequence_2) \quad \text{for 11/03 to 03/04}$$

$$NRCM = 3,904,576 \times Dummy_3 + (52,129 \times Month Sequence_3) \quad \text{for 04/04 to 06/05}$$

$$R^2 = 0.9897 \quad \begin{array}{l} t\text{-statistic for } Dummy_1 = 126.59 \\ t\text{-statistic for } Month Sequence_1 = 12.61 \\ t\text{-statistic for } Dummy_2 = 17.85 \\ t\text{-statistic for } Month Sequence_2 = 12.48 \\ t\text{-statistic for } Dummy_3 = 39.19 \\ t\text{-statistic for } Month Sequence_3 = 15.11 \end{array} \quad F\text{-statistic} = 720.7$$

The Normal Route Circuit Mile Growth Ratio was computed as follows:

$$\text{Average of Month Sequence Numbers from July 2006 to June 2007 Test Period} = 54.5$$

$$\text{Average of Month Sequence Numbers from July 2004 to June 2005 Base Period} = 30.5$$

Normal Route Circuit Mile Growth Ratio

$$= \frac{\text{Normal Route Circuit Miles Modeled Avg. Month of 7/06 - 6/07}}{\text{Normal Route Circuit Miles Modeled Avg. Month of 7/04 - 6/05}}$$

$$= \frac{6,745,604 \text{ Normal Route Circuit Miles}}{5,494,509 \text{ Normal Route Circuit Miles}}$$

$$= 1.2277$$

Many Average Schedule companies have implemented significant network changes since the 2002 and 2003 accounting periods. These changes cause companies to report significant changes in transport demand to NECA for monthly settlements. The new demand levels do not correspond to costs included in the accounts used in this study.

To produce an alignment of demand and cost projections for the test period of July 2006 to June 2007, NECA had to account for the major network changes that occurred between the accounting periods used for cost projection (2002 and 2003) and the base period used for demand projection (July 2004 through June 2005). Affected demand quantities include interstate circuits, circuit miles, circuit terminations, and intertoll dial circuits.

NECA identified study areas that reported proportionally large changes in their data. To avoid considering changes that were proportionally large only because the demand level before the change was very small, NECA restricted this analysis to exclude changes from a very small level (e.g., for study areas reporting 2002 accounts, those with interstate circuit miles below 127.68, which is the 5th percentile of demand levels reported immediately before any increases). Similar thresholds for these companies for circuit terminations, intertoll dial circuits, and interstate circuits were 35.75, 74, and 35.89 respectively. For study areas reporting 2003 accounts, the thresholds for circuit miles, circuit terminations, intertoll dial circuits, and interstate circuits were 328.01, 29.68, 87, and 30.32 respectively. Changes from initial demand levels below these thresholds were not considered for adjustments.

From reported changes exceeding the threshold, major shifts were defined as the highest 5% of all month-to-month percentage changes recorded by all sample companies from the beginning of the accounting period to the end of the demand base period. Data months following such a change were adjusted in proportion to the change. This produced an

alignment of demand and cost projections for the test period of July 2006 to June 2007.

2. Long Route Circuit Mile Forecasting

The growth in long route circuit miles was calculated based on historical trend data from July 2002 to June 2005. NECA selected those study areas with long route circuit miles for the 36 months from July 2002 to June 2005. The following variables were used in long route circuit mile regression modeling:

- Long Route Circuit Mile Counts - Monthly long route circuit miles were calculated from settlement data submitted by average schedule companies from July 2002 through June 2005, including all adjustments through July 2005. (See Exhibit 5.5B)
- Month Sequence number - A sequentially assigned number, measuring a time trend. Month Sequence 1 corresponds to July 2002 and Month Sequence 36 corresponds to June 2005.
- Shift Dummy variable – A variable that captures a major shift in the long route miles reported by the average schedule companies for April 2004. Zero for July 2002 to March 2004 and 1 for April 2004 to June 2005.

The regression model for long route circuit miles is as follows:

$$\begin{aligned} \text{Long Route Circuit Miles} = & 990,190 + (8693.08 \times \text{Month Sequence}) \\ & + (360,784 \times \text{Shift Dummy}) \end{aligned}$$

$$\begin{aligned} R^2 = 0.9710 \quad & t\text{-statistic for Intercept} = 52.38 \\ & t\text{-statistic for Month Sequence} = 6.01 \\ & t\text{-statistic for Shift Dummy} = 11.84 \end{aligned}$$

$$F\text{-statistic} = 551.59$$

The Long Route Circuit Mile Growth Ratio was computed as follows:

Average of Month Sequence Numbers from July 2006 to June 2007 Test Period = 54.5

Average of Month Sequence Numbers from July 2004 to June 2005 Base Period = 30.5

Long Route Circuit Mile Growth Ratio

$$= \frac{\text{Long Route Circuit Miles Modeled Avg. Month of 7/06 - 6/07}}{\text{Long Route Circuit Miles Modeled Avg. Month of 7/04 - 6/05}}$$

$$= \frac{1,824,747 \text{ Long Route Circuit Miles}}{1,616,113 \text{ Long Route Circuit Miles}}$$

$$= 1.1291$$

Next, base period average normal and long route circuit miles were computed for each sample study area, using the September 2005 view of data reported to the NECA pool from July 2004 through June 2005 and applying the data methodology as described in Section V. E.1.¹¹ The average number of monthly normal and long route circuit miles over the base period was calculated for each sample study area. Forecasted test period average normal and long route circuit miles for each sample study area were computed by multiplying base period average number of normal and long route circuit miles by the appropriate Circuit Mile Growth Ratio.

F. Circuit Termination Model

NECA used a constrained regression model in forecasting circuit terminations of sample average schedule study areas. The following variables were used in circuit termination demand regression modeling:

¹¹ These data are displayed in Appendix D1.

- Circuit Termination counts - Monthly amounts reported for settlements by average schedule companies from July 2002 through June 2005, including all adjustments through July 2005. Exhibit 5.5B displays the circuit termination data.
- Dummy variables – One for each of three time periods (July 2002 to October 2003, November 2003 to March 2004, and April 2004 to June 2005). Each dummy variable equals 1 for their respective time period and 0 outside their time period. For example, dummy variable for April 2004 through June 2005 has a value of 1 for that time period and 0 before April 2004.
- Month Sequence variables – One for each of the three time spans (July 2002 to October 2003, November 2003 to March 2004, and April 2004 to June 2005). Each variable is a product of a sequentially assigned number and the dummy variable for the corresponding time span. The sequentially assigned number measures a time trend with Month Sequence 1 corresponding to July 2002 and Month Sequence 36 corresponds to June 2005,. For example, values for Month Sequence variable for the time span July 2002 to October 2003 are 1 for July 2002, 2 for August 2002, 3 for September 2002, ..., 16 for October 2003, and 0 after October 2003.

The two constraints imposed on the break points in the data, November 2003 and April 2004, can be expressed as:

$$A_1 + B_1 x 17 = A_2 + B_2 x 17$$

$$A_2 + B_2 x 22 = A_3 + B_3 x 22$$

Where A_1, A_2, A_3 are coefficients of Dummy variables and B_1, B_2, B_3 are the coefficients of Month Sequence variables for each of the three time spans.

The regression results for Circuit Terminations (Circ. Ter.) are as follows:

$$\text{Circ. Ter.} = 120,948 \times \text{Dummy}_1 + (518.31 \times \text{Month Sequence}_1) \quad \text{for 07/02 to 10/03}$$

$$\text{Circ. Ter.} = 103,270 \times \text{Dummy}_2 + (1,558.34 \times \text{Month Sequence}_2) \quad \text{for 11/03 to 03/04}$$

$$\text{Circ. Ter.} = 134,213 \times \text{Dummy}_3 + (151.74 \times \text{Month Sequence}_3) \quad \text{for 04/04 to 06/05}$$

$$\begin{aligned} R^2 &= 0.9885 & t\text{-statistic for Dummy}_1 &= 332.48 & F\text{-statistic} &= 644.7 \\ & & t\text{-statistic for Month Sequence}_1 &= 15.34 \\ & & t\text{-statistic for Dummy}_2 &= 55.65 \\ & & t\text{-statistic for Month Sequence}_2 &= 16.39 \\ & & t\text{-statistic for Dummy}_3 &= 114.88 \\ & & t\text{-statistic for Month Sequence}_3 &= 3.75 \end{aligned}$$

The Circuit Termination Growth Ratio was computed as follows:

$$\text{Average of Month Sequence Numbers from July 2006 to June 2007 Test Period} = 54.5$$

$$\text{Average of Month Sequence Numbers from July 2004 to June 2005 Base Period} = 30.5$$

Circuit Termination Growth Ratio

$$\begin{aligned} &= \frac{\text{Circuit Terminations Modeled Avg. Month of 7/06 - 6/07}}{\text{Circuit Terminations Modeled Avg. Month of 7/04 - 6/05}} \\ &= \frac{142,482 \text{ Circuit Terminations}}{138,840 \text{ Circuit Terminations}} \\ &= 1.0262 \end{aligned}$$

Next, NECA calculated a monthly average base period circuit termination value for each sample average schedule study area, using data reported to the NECA pool for the period from July 2004 through June 2005, including all adjustments through September 2005 and applying the data methodology as described in Section V. E. 1. NECA forecasted circuit terminations to the test period by multiplying each sample study area's base period value by the Circuit Termination Growth Ratio.

G. Intertoll Dial Circuit Forecasting

NECA forecasted Intertoll Dial Circuits of sample average schedule study areas using an Intertoll Dial Circuit Growth Ratio. NECA selected those study areas with Intertoll Dial Circuits for the 36 months from July 2002 to June 2005. The growth ratio was developed by fitting a regression model to historical monthly Intertoll Dial Circuit values of the average schedule population.

The following variables were used in Intertoll Dial Circuit demand regression modeling.

- Intertoll Dial Circuit counts - Monthly amounts reported for settlements by average schedule companies from July 2002 through June 2005, including all adjustments through July 2005. Exhibit 5.5B displays the Intertoll Dial Circuit data.
- Month Sequence number - A sequentially assigned measure of a time trend. Month Sequence 1 corresponds to July 2002 and Month Sequence 36 corresponds to June 2005.
- Trend Change Indicator – A sequential indicator to capture the impact of the changes on the line haul network arrangement on April 2004 when the trend of Intertoll Dial Circuit data changed.

The regression model describing the historical growth trend of Intertoll Dial Circuit data of the average schedule population is as follows:

$$\text{Intertoll Dial Circuits} = 21,031 + (236.64 \times \text{Month Sequence}) \\ - (130.55 \times \text{Trend Change Indicator})$$

Where Month Sequence 1 = July 2002

Trend Change Indicator = 0, from July 2002 to March 2004

Trend Change Indicator = 1 for April 2004; 2 for May 2004, etc.

$$R^2 = 0.9572 \quad t\text{-statistic for Intercept} = 113.41 \quad F\text{-statistic} = 368.88 \\ t\text{-statistic for Month Sequence} = 17.91 \\ t\text{-statistic for Indicator} = -4.59$$

The Intertoll Dial Circuit Growth Ratio was computed as follows:

Average of Month Sequence Numbers from July 2006 to June 2007 Test Period = 54.5

Average of Month Sequence Numbers from July 2004 to June 2005 Base Period = 30.5

Intertoll Dial Circuit Growth Ratio

$$\begin{aligned} &= \frac{\text{Intertoll Dial Circuits Modeled Avg. Month of 7/06 - 6/07}}{\text{Intertoll Dial Circuits Modeled Avg. Month of 7/04 - 6/05}} \\ &= \frac{29,555 \text{ Intertoll Dial Circuits}}{27,008 \text{ Intertoll Dial Circuits}} \\ &= 1.0943 \end{aligned}$$

Next, NECA calculated a monthly average base period Intertoll Dial Circuit value for each sample average schedule study area, using data reported to the NECA pool for the period from July 2004 through June 2005, including all adjustments through September 2005 and applying the data methodology as described in Section V. E. 1. NECA forecasted Intertoll Dial Circuits to the test period by multiplying each sample study area's base period value by the Intertoll Dial Circuit Growth Ratio.

H. Special Access Revenue Forecasting

NECA has data to support projection of average schedule company costs at the total account level, but not at the access category level. Total account growth ratios have been historically stable in the six percent to ten percent range. In contrast, demand for Special Access services, as measured by the revenues reported monthly to NECA for settlements, has grown at rates as high as thirty percent annually in recent years. Since the 2000 Study, the use of Special Access revenue data from more recent time periods (especially from calendar year 1999 and later) produced forecasts that are substantially incompatible with forecasts of cost data, which are based on the historical accounting

data collected from sample study areas.

To avoid a misalignment of the cost and demand data, in the 2000 Study NECA introduced Special Access revenue forecast that was directly compatible with the cost forecast by: (1) using base period Special Access revenues from the same months as the accounting data; and (2) projecting revenue growth in parallel with cost growth. This method is continued in this Study.

1. Special Access Revenue Data

In this study, NECA used Special Access revenue data reported to settlements from January 2002 to December 2003, as described in Section III.E, as the base period data. Average schedule study area settlements for special access service provisioning are calculated amounts derived from settlement formulas, that assume achievement of the authorized rate of return. The revenue levels reported for settlements, however, reflect the pool's achieved rate of return. NECA adjusted each month's revenues to the rate of return authorized by the FCC during that time period using the following formula:

Rate of Return Adjustment Factor =

$$\frac{\textit{Special Access Revenue Requirement At Authorized Rate of Return}}{\textit{Special Access Revenues At Achieved Rate of Return}}$$

The Rate of Return Adjustment Factors calculated are shown in Exhibit 5.6.

EXHIBIT 5.6 <u>SPECIAL ACCESS RATE OF RETURN ADJUSTMENT FACTOR DEVELOPMENT</u>			
Month	Special Access Revenues Requirement At Authorized Rate of Return	Special Access Revenues At Achieved Rate of Return	Rate of Return Adjustment Factor
200201	20,728,899	20,108,544	1.0309
200202	20,835,117	20,579,866	1.0124
200203	21,062,006	21,180,099	0.9944
200204	21,172,895	21,431,224	0.9879
200205	21,228,082	22,018,973	0.9641
200206	21,235,140	21,643,455	0.9811
200207	22,452,913	21,137,515	1.0622
200208	22,527,054	21,609,862	1.0424
200209	22,513,119	21,673,909	1.0387
200210	22,954,281	22,308,624	1.0289
200211	23,086,225	22,567,560	1.0230
200212	23,207,171	22,347,345	1.0385
200301	26,441,157	23,303,281	1.1347
200302	26,583,791	23,568,384	1.1279
200303	26,738,841	24,365,975	1.0974
200304	26,914,375	24,843,462	1.0834
200305	27,060,118	25,597,557	1.0571
200306	27,211,844	26,253,744	1.0365
200307	27,731,671	27,629,629	1.0037
200308	27,770,898	28,051,307	0.9900
200309	27,781,439	28,129,615	0.9876
200310	28,017,052	28,496,306	0.9832
200311	27,937,069	28,766,311	0.9712
200312	28,193,669	29,341,069	0.9609

2. Forecast of Special Access Revenues

To ensure consistency between the cost and demand data underlying the development of Special Access settlement formulas, NECA projected Special Access revenues to test period values using the same method used to project historical revenue requirements. The annual revenue requirement growth ratios by stratum (displayed on Exhibit 5.2) were converted into Multi-year Growth Ratios by Stratum by multiplying annual growth ratios by either three and one-half or four and one-half to capture the elapsed time between the 2003 and 2002 accounting periods and the test period, as described in Section V.B.8.

The forecasted test period average Special Access revenues for each sample study area was computed as follows:

Sample Study Area Test Period Special Access Revenues

$$\begin{aligned} &= \text{Sample Study Area Base Period Special Access Revenues} \\ &\quad \times \text{Rate of Return Adjustment Factor} \\ &\quad \times \text{Multi-year Stratum Revenue Requirement Growth Ratio} \end{aligned}$$

This method of forecasting Special Access revenues reduces the annual variation in estimated demand growth, while improving the accuracy of the Special Access settlement formula by assuring alignment of underlying cost and demand data.

**VI. AVERAGE SCHEDULE COMPANY
PART 36 AND PART 69 COSTS**

A. Introduction

Section VI describes the calculation of separated (Part 36) and allocated (Part 69) accounts for each sample average schedule study area, as well as the allocation of transport cost to subcategories of Line Haul and Intertoll Dial switching. Allocated accounts were used to develop the Part 69 access category revenue requirements on which test period settlement formulas are based, as explained in Section VII. In order to complete these calculations, NECA used the separations and allocation factor models developed in Section IV, test period demand, and the test period unseparated accounts and demand forecasts, described in Section V.

This section also describes the calculation of another set of modeled central office revenue requirements for high traffic volume study areas. For this effort NECA used the High Traffic Volume Period unseparated cost data collected from the high traffic volume study areas as described in Section III.F.

In order to comply with the MAG Order, issued on November 8, 2001, NECA performed additional allocations to ensure that the test period settlement formulas accurately reflect the new allocation rules.¹ The methods used to complete these adjustments are discussed in Section VII.M.

B. Separation of Part 32 Accounts

NECA first computed the interstate portion of each test period Part 32 account for each sample average schedule company, using the separations models developed from sample cost company data, displayed in Exhibit 4.3. These models are designed to simultaneously assign some costs in

¹ MAG Order at App. A, ¶¶ 20, 21 and 22.

an account to a separations category, and to determine the interstate component of the costs within the category. Because the portion of an account belonging to a category changes as new facilities are deployed in response to demand changes, NECA uses projected test period demand of sample average schedule companies to evaluate these models.

Each separations model was used to calculate a fraction for each sample average schedule study area, which is the ratio of the interstate cost in an account, category or subaccount to the corresponding total unseparated, uncategorized cost. The fraction was multiplied by the sample study area's test period account value to calculate the interstate value of the account or category during the test period. One of the three methods, described in the following subsections, was used to compute the interstate percentage of each account or category.

1. Direct Separations Calculations - Average Separations Fraction

An average separations fraction was used for each account or category for which Exhibit 4.3 shows an average ratio model. Exhibit 6.1 shows an example using the Category 1 Central Office Equipment (COE) separations model.

EXHIBIT 6.1

**DIRECT SEPARATION OF AVERAGE SCHEDULE ACCOUNTS
BY AN AVERAGE FRACTION**

EXAMPLE: SEPARATION OF COE CATEGORY 1

A.	Average Schedule COE Account Balance	\$100,000
B.	Average Separations Fraction (from Exhibit 4.3)	0.000118
C.	Interstate Category 1 COE (Line A x Line B)	\$12

2. Direct Separations Calculations - Regression Model Separations Fraction

A regression model was used for each account or category for which Exhibit 4.3 shows a model of the form:

$$\begin{aligned} P &= B \times X \\ \text{or} \\ P &= A + (B \times X) \\ \text{or} \\ P &= A + (B \times X) + (C \times Y) \\ \text{or} \\ P &= A + (B \times X) + (C \times Y) + (D \times Z) \end{aligned}$$

Calculation of interstate amounts based on regression models, was completed in three steps.

- First, a separations fraction was developed for each sample study area, by evaluating the separations model with the study area's specific values of independent variables. Exhibit 6.2 shows an example using the Cable & Wire Facilities (C&WF) Category 1.2 separations model. In this example, the independent variable, X, equals the sample study area's adjusted Special Access revenues divided by its access lines (Exhibit 6.2, Steps B and C).
- Second, a range test was performed on the calculated separations fraction to assure its reasonableness. Separations fractions were compared to the related minimum and maximum fraction values (shown in Exhibit 4.3) obtained from the sample cost companies. If the fraction was outside the range, the fraction was set equal to the range limit minimum or maximum. This step ensures that the interstate allocations of the average schedule sample do not exceed the interstate cost allocations of the sample cost companies. The lower and upper limits of the C&WF Category 1.2 separations model shown in Exhibit 4.3 were 0.000163 and

0.063046, respectively. The separations fraction calculated in Exhibit 6.2 (0.004812) is within the range limit, and therefore no adjustment was necessary.

- Finally, each study area's interstate cost was computed using its separations fraction (Exhibit 6.2, Step D).

EXHIBIT 6.2

DIRECT SEPARATION OF AVERAGE SCHEDULE ACCOUNTS **BY A REGRESSION MODEL** **EXAMPLE: SEPARATION OF C&WF CATEGORY 1.2**

A.	Study Area C&WF Account Balance	\$100,000
B.	Adjusted Special Access Revenues/ Access Lines	1.171929
C.	Interstate Percentage (Using Formula from Exhibit 4.3) (0.003665 + 0.000979 x Line B)	0.004812
D.	Interstate Category 1.2 C&WF Investment (Line A x Line C)	\$481

3. Indirect Separations Calculations

For some of the accounts and categories shown in Exhibit 4.3, a separations fraction was developed using the interstate fraction of another account as an independent variable. In these cases, the independent variable fraction was first calculated for each study area, and then used in the model to determine the separation fraction of the dependent account. Exhibit 6.3 shows an example of this method for separating Cable and Wire Facilities (C&WF) Expense.

EXHIBIT 6.3

INDIRECT SEPARATION OF AVERAGE SCHEDULE ACCOUNTS **ILLUSTRATIVE EXAMPLE: SEPARATION OF C&WF EXPENSE**

A.	Average Schedule C&WF Expense Account Balance	\$100,000
B.	C&WF Investment Separations Fraction (Composite of all C&WF investment results for this study area)	0.282940
C.	C&WF Expense Separations Fraction (Line B)	0.282940
D.	Interstate C&WF Expense (Line A x Line C)	\$28,294

Exhibit 6.4 summarizes the separated and unseparated accounts of sample average schedule study areas. All amounts are weighted sums of costs in accounts and categories using sample weights, which were explained in Section II.H. Individual study area accounts separated by these methods were next allocated to access categories as described in Section VI.C.

EXHIBIT 6.4
WEIGHTED CATEGORIZATION AND INTERSTATE SEPARATIONS RESULT

<u>Account</u>	<u>Weighted Total Cost</u>	<u>Average Interstate Proportion</u>	<u>Weighted Separated Cost</u>
Telecommunications Plant In Service	\$6,268,360,283	35.1788%	\$2,205,136,603
General Support Facilities	\$860,711,985	35.1808%	\$302,805,020
Central Office Equipment	\$2,388,170,492	44.1474%	\$1,054,314,393
-- COE Cat 1		0.0009%	\$21,812
-- COE Cat 2		0.7661%	\$18,296,047
-- COE Cat 3		20.7529%	\$495,613,589
-- COE Cat 4.11 + 4.12		6.3660%	\$152,031,960
-- COE Cat 4.13		8.5489%	\$204,162,307
-- COE Cat 4.2		6.3812%	\$152,393,743
-- COE Cat 4.3		1.3314%	\$31,794,934
Cable & Wire Facilities	\$2,956,499,147	27.8897%	\$824,557,267
-- C&WF Cat 1.2		0.6014%	\$17,780,088
-- C&WF Cat 1.3		21.0894%	\$623,507,639
-- C&WF Cat 2		1.0176%	\$30,084,702
-- C&WF Cat 3		3.7528%	\$110,951,753
-- C&WF Cat 4		1.4285%	\$42,233,084
Tangibles	\$7,383,522	35.3026%	\$2,606,576
Intangibles	\$55,595,137	37.5093%	\$20,853,348
Materials And Supplies	\$24,376,008	27.5711%	\$6,720,730
Rural Telephone Bank Stock	\$22,586,462	35.9758%	\$8,125,656
Other Telecommunications Plant	\$126,376,807	35.6564%	\$45,061,449
Other Non-Current Assets	\$5,370,946	32.6733%	\$1,754,866
Cash Working Capital	\$35,449,559	35.2184%	\$12,484,753
Accumulated Depreciation	\$3,892,536,024	35.8957%	\$1,397,251,873
Accumulated Amortization	\$38,729,307	36.3461%	\$14,076,583
Net Deferred Operating FIT	\$208,168,998	35.8381%	\$74,603,814
Network Support Expense	\$4,053,860	35.0780%	\$1,422,013
General Support Expense	\$44,996,517	35.7453%	\$16,084,125
COE Expense	\$83,485,255	44.9873%	\$37,557,754
C&WF Expense	\$113,852,936	27.5869%	\$31,408,537
Other Property & Plant Expense	\$2,479,497	36.3920%	\$902,339
Network Operations Expense	\$93,725,289	35.2270%	\$33,016,634
Depreciation & Amortization Expense	\$386,000,241	37.7369%	\$145,664,502
Marketing Expense	\$25,779,669	31.6555%	\$8,160,691
Services Expense	\$139,501,146	32.3987%	\$45,196,527
Executive & Planning Expense	\$85,785,950	33.9388%	\$29,114,740
General & Administration Expense	\$176,266,113	38.1183%	\$67,189,630
Charitable Contributions	\$1,349,136	39.6946%	\$535,534
Interest & Related Items	\$27,721,667	35.2659%	\$9,776,283
Patronage Dividends	\$51,973,169	36.9568%	\$19,207,598
Interest On Customer Deposits	\$215,770	36.1974%	\$78,103
Other Long Term Liabilities	\$95,563,822	33.5962%	\$32,105,857
Federal Income Taxes	\$64,984,025	33.1180%	\$21,521,399
Investment Tax Credits	\$275,305	34.8745%	\$96,011
Other Operating Taxes	\$60,717,508	36.9127%	\$22,412,454
Allowance For Funds Used During Construction	\$2,398,015	35.1741%	\$843,480
Expenses & Other Taxes	\$1,218,208,888	36.0155%	\$438,743,584
Average Net Investment	\$2,247,521,914	33.8705%	\$761,245,932
Revenue Requirement	\$1,533,641,112	35.5404%	\$545,061,670

C. Allocation of Interstate Costs to Access Categories

In order to determine each sample study area's revenue requirements, NECA allocated its interstate costs to the access categories defined in Part 69 of the Commission's rules. The computation of access category allocation factors relied on:

- Cost company allocation factor models described in Exhibits 4.5, 4.6 and 4.7
- Study area demand variables forecasted to the test period
- Direct and indirect allocation methods, as per Part 69 of the Commission's rules.

Access category allocations for each account or category were then completed using one of the three methods described below.

- Method 1 - Selected categories of investment were directly assigned to access categories. These assignments are summarized in Exhibit 6.5.

EXHIBIT 6.5

INTERSTATE INVESTMENT DIRECTLY ASSIGNED TO ACCESS CATEGORIES

Investment Category

Access Category

COE Category 3

Central Office

COE Category 4.3

Transport

C&WF Category 1.2

Special Access

C&WF Category 1.3

Common Line

- Method 2 - Access category assignments for certain categories of expense and investment were calculated using allocation factor models that do not depend on assignment of other accounts. This computation was performed on Net Deferred Income Taxes, COE Category 1, COE Category 2, combined COE Categories 4.11 & 4.12, COE Category 4.13 and COE Category 4.2 and for C&WF Categories 2, 3 and 4. Models used in these calculations are displayed in Exhibits 4.5, 4.6 and 4.7.
- Method 3 - Proportionate assignments of some accounts were made depending on the assignment of other accounts, as displayed in Exhibit 6.6.

EXHIBIT 6.6

PROPORTIONATE ALLOCATION OF ACCOUNTS TO ACCESS CATEGORIES

<u>Account</u>	<u>Allocation Basis</u>
General Support Facilities	Combined COE and C&WF Investment ²
Tangibles	Combined COE and C&WF Investment
Intangibles	Combined COE and C&WF Investment
Materials and Supplies	Telecommunications Plant in Service
Rural Telephone Bank Stock	Telecommunications Plant in Service
Other Telecommunications Plant	Telecommunications Plant in Service
Other Non-Current Assets	Big Three Expenses
Accumulated Depreciation	Telecommunications Plant in Service
Accumulated Amortization	Telecommunications Plant in Service
Network Support Expense	Telecommunications Plant in Service
General Support Expense	General Support Facilities
Combined Central Office Expense	Combined Central Office Investment
C&WF Expense	Cable & Wire Facilities
Other Property, Plant & Equipment Expense	General Support Facilities
Network Operations Expense	General Support Facilities
Depreciation and Amortization Expense	Telecommunications Plant in Service
Marketing Expense	General Support Facilities
Services Expense	Telecommunications Plant in Service
Executive & Planning Expense	Big Three Expenses
General & Administrative Expense	Big Three Expenses
Contributions	Big Three Expenses
Interest & Related Items	General Support Facilities
Patronage Dividends	Average Net Investment
Interest on Customer Deposits	Net Telecommunications Plant
Other Long Term Liabilities	Big Three Expenses
Federal Investment Tax Credit	Telecommunications Plant in Service
Other Operating Taxes ³	General Support Facilities
Allow. for Funds Used During Construction	Telecommunications Plant in Service

The access allocation results are displayed in Exhibit 6.7. Average allocation percentages corresponding to these results appear in Exhibit 6.8.

² See Section IV.B.2 for a description of the allocation of some General Support Facilities costs to the Billing and Collection Category.

³ Includes Operating Other Taxes + Operating State and Local Income Taxes.

D. Allocation of Transport Costs to Subcategories

In order to develop more accurate settlement formulas for the three transport elements (Line Haul Distance Sensitive, Line Haul Non-Distance Sensitive and Intertoll Dial Switching), a further allocation of transport costs was performed. The transport portions of account data were allocated to these elements using two methods:

1. Selected separated categories of transport COE and C&WF were directly assigned to transport elements. These assignments are displayed in Exhibit 6.9.
2. All other accounts were allocated to transport elements in proportion to accounts or groups of accounts designated by Part 69 rules. These allocation methods are displayed in Exhibit 6.10.

EXHIBIT 6.7
WEIGHTED ACCESS CATEGORY ALLOCATION RESULTS

<u>Account</u>	<u>Interstate</u>	<u>Common Line</u>	<u>Central Office</u>	<u>Transport</u>	<u>Special Access</u>
Telecommunications Plant In Service	\$2,205,136,603	\$962,063,871	\$586,078,828	\$293,624,012	\$363,362,819
General Support Facilities	\$302,805,020	\$131,535,429	\$82,922,606	\$40,333,455	\$48,012,948
Central Office Equipment	\$1,054,314,393	\$197,799,108	\$495,629,061	\$137,584,643	\$223,295,240
- - COE Cat 1	\$21,812	\$0	\$15,472	\$0	\$0
- - COE Cat 2	\$18,296,047	\$0	\$0	\$18,296,047	\$0
- - COE Cat 3	\$495,613,589	\$0	\$495,613,589	\$0	\$0
- - COE Cat 4.11 + 4.12	\$152,031,960	\$0	\$0	\$2,732,787	\$149,299,173
- - COE Cat 4.13	\$204,162,307	\$197,799,108	\$0	\$0	\$6,363,199
- - COE Cat 4.2	\$152,393,743	\$0	\$0	\$84,760,875	\$67,632,868
- - COE Cat 4.3	\$31,794,934	\$0	\$0	\$31,794,934	\$0
Cable & Wire Facilities	\$824,557,267	\$623,507,639	\$0	\$112,982,743	\$88,066,884
- - C&WF Cat 1.2	\$17,780,088	\$0	\$0	\$0	\$17,780,088
- - C&WF Cat 1.3	\$623,507,639	\$623,507,639	\$0	\$0	\$0
- - C&WF Cat 2	\$30,084,702	\$0	\$0	\$656,092	\$29,428,610
- - C&WF Cat 3	\$110,951,753	\$0	\$0	\$70,093,567	\$40,858,186
- - C&WF Cat 4	\$42,233,084	\$0	\$0	\$42,233,084	\$0
Tangibles	\$2,606,576	\$1,149,554	\$641,511	\$356,714	\$458,797
Intangibles	\$20,853,348	\$8,072,141	\$6,885,650	\$2,366,456	\$3,528,950
Materials And Supplies	\$6,720,730	\$2,959,484	\$1,895,803	\$924,854	\$940,580
Rural Telephone Bank Stock	\$8,125,656	\$3,393,119	\$2,459,705	\$1,007,667	\$1,265,165
Other Telecommunications Plant	\$45,061,449	\$19,299,573	\$12,642,871	\$7,230,785	\$5,888,221
Other Non-Current Assets	\$1,754,866	\$653,370	\$590,465	\$165,047	\$125,645
Cash Working Capital	\$12,484,753	\$4,758,717	\$3,233,458	\$1,500,593	\$1,764,094
Accumulated Depreciation	\$1,397,251,873	\$582,511,604	\$403,935,783	\$182,218,760	\$222,972,123
Accumulated Amortization	\$14,076,583	\$5,819,571	\$4,065,330	\$1,585,859	\$2,619,544
Net Deferred Operating FIT	\$74,603,814	\$33,429,148	\$23,553,394	\$5,004,350	\$10,390,884
Network Support Expense	\$1,422,013	\$619,193	\$394,222	\$192,520	\$216,077
General Support Expense	\$16,084,125	\$6,902,132	\$4,559,676	\$2,127,958	\$2,494,308
COE Expense	\$37,557,754	\$6,935,285	\$18,724,472	\$4,601,913	\$7,295,912
C&WF Expense	\$31,408,537	\$23,172,888	\$0	\$4,516,784	\$3,020,495
Other Property & Plant Expense	\$902,339	\$380,639	\$260,428	\$124,508	\$136,764
Network Operations Expense	\$33,016,634	\$14,517,178	\$8,308,687	\$4,333,189	\$5,857,449
Depreciation & Amortization Expense	\$145,664,502	\$52,836,574	\$50,174,609	\$18,713,704	\$24,148,985
Marketing Expense	\$8,160,691	\$3,539,077	\$2,065,847	\$1,035,856	\$1,519,873
Services Expense	\$45,196,527	\$9,194,398	\$10,682,651	\$3,641,623	\$4,214,333
Executive & Planning Expense	\$29,114,740	\$10,419,075	\$7,991,285	\$3,270,108	\$3,630,680
General & Administration Expense	\$67,189,630	\$25,799,148	\$16,681,311	\$8,226,983	\$9,103,653
Charitable Contributions	\$535,534	\$192,890	\$140,186	\$59,699	\$79,581
Interest & Related Items	\$9,776,283	\$4,087,624	\$2,783,298	\$1,390,192	\$1,515,169
Patronage Dividends	\$19,207,598	\$8,545,143	\$3,728,996	\$3,507,496	\$4,057,279
Interest On Customer Deposits	\$78,103	\$36,471	\$17,174	\$12,268	\$13,580
Other Long Term Liabilities	\$32,105,857	\$12,315,720	\$7,330,789	\$4,015,005	\$4,643,456
Federal Income Taxes	\$21,521,399	\$10,362,076	\$4,421,317	\$2,965,718	\$4,103,627
Investment Tax Credits	\$96,011	\$41,854	\$26,097	\$12,818	\$15,243
Other Operating Taxes	\$22,412,454	\$9,780,712	\$5,968,254	\$2,919,486	\$3,743,942
Allowance For Funds Used During Construct.	\$843,480	\$369,457	\$217,192	\$108,133	\$148,698
Expenses & Other Taxes	\$438,743,584	\$164,289,189	\$125,951,628	\$53,764,332	\$65,462,051
Average Net Investment	\$761,245,932	\$359,052,091	\$168,015,833	\$109,733,077	\$132,720,517
Revenue Requirement	\$545,061,670	\$214,675,169	\$149,057,534	\$68,966,889	\$84,348,039

EXHIBIT 6.8
WEIGHTED AVERAGE ACCESS CATEGORY ALLOCATION FACTORS

<u>Account</u>	<u>Common Line</u>	<u>Central Office</u>	<u>Transport</u>	<u>Special Access</u>
Telecommunications Plant In Service	43.6283%	26.5779%	13.3155%	16.4780%
General Support Facilities	43.4390%	27.3848%	13.3199%	15.8561%
Central Office Equipment	18.7609%	47.0096%	13.0497%	21.1792%
- - COE Cat 1	0.0000%	70.9303%	0.0000%	0.0000%
- - COE Cat 2	0.0000%	0.0000%	100.0000%	0.0000%
- - COE Cat 3	0.0000%	100.0000%	0.0000%	0.0000%
- - COE Cat 4.11 + 4.12	0.0000%	0.0000%	1.7975%	98.2025%
- - COE Cat 4.13	96.8833%	0.0000%	0.0000%	3.1167%
- - COE Cat 4.2	0.0000%	0.0000%	55.6197%	44.3803%
- - COE Cat 4.3	0.0000%	0.0000%	100.0000%	0.0000%
Cable & Wire Facilities	75.6173%	0.0000%	13.7022%	10.6805%
- - C&WF Cat 1.2	0.0000%	0.0000%	0.0000%	100.0000%
- - C&WF Cat 1.3	100.0000%	0.0000%	0.0000%	0.0000%
- - C&WF Cat 2	0.0000%	0.0000%	2.1808%	97.8192%
- - C&WF Cat 3	0.0000%	0.0000%	63.1748%	36.8252%
- - C&WF Cat 4	0.0000%	0.0000%	100.0000%	0.0000%
Tangibles	44.1021%	24.6112%	13.6852%	17.6015%
Intangibles	38.7091%	33.0194%	11.3481%	16.9227%
Materials And Supplies	44.0351%	28.2083%	13.7612%	13.9952%
Rural Telephone Bank Stock	41.7581%	30.2708%	12.4011%	15.5700%
Other Telecommunications Plant	42.8295%	28.0570%	16.0465%	13.0671%
Other Non-Current Assets	37.2319%	33.6473%	9.4051%	7.1598%
Cash Working Capital	38.1162%	25.8993%	12.0194%	14.1300%
Accumulated Depreciation	41.6898%	28.9093%	13.0412%	15.9579%
Accumulated Amortization	41.3422%	28.8801%	11.2659%	18.6092%
Net Deferred Operating FIT	44.8089%	31.5713%	6.7079%	13.9281%
Network Support Expense	43.5435%	27.7228%	13.5386%	15.1952%
General Support Expense	42.9127%	28.3489%	13.2302%	15.5079%
COE Expense	18.4657%	49.8551%	12.2529%	19.4258%
C&WF Expense	73.7789%	0.0000%	14.3808%	9.6168%
Other Property & Plant Expense	42.1836%	28.8614%	13.7984%	15.1566%
Network Operations Expense	43.9693%	25.1652%	13.1243%	17.7409%
Depreciation & Amortization Expense	36.2728%	34.4453%	12.8471%	16.5785%
Marketing Expense	43.3674%	25.3146%	12.6932%	18.6243%
Services Expense	20.3432%	23.6360%	8.0573%	9.3245%
Executive & Planning Expense	35.7863%	27.4476%	11.2318%	12.4702%
General & Administration Expense	38.3975%	24.8272%	12.2444%	13.5492%
Charitable Contributions	36.0182%	26.1769%	11.1475%	14.8601%
Interest & Related Items	41.8116%	28.4699%	14.2200%	15.4984%
Patronage Dividends	44.4883%	19.4142%	18.2610%	21.1233%
Interest On Customer Deposits	46.6962%	21.9895%	15.7071%	17.3870%
Other Long Term Liabilities	38.3597%	22.8332%	12.5055%	14.4630%
Federal Income Taxes	48.1478%	20.5438%	13.7803%	19.0677%
Investment Tax Credits	43.5922%	27.1809%	13.3503%	15.8764%
Other Operating Taxes	43.6396%	26.6292%	13.0262%	16.7047%
Allowance For Funds Used During Construct.	43.8015%	25.7495%	12.8199%	17.6291%
Expenses & Other Taxes	37.4454%	28.7073%	12.2542%	14.9203%
Average Net Investment	47.1664%	22.0712%	14.4149%	17.4346%
Revenue Requirement	39.3855%	27.3469%	12.6530%	15.4750%

EXHIBIT 6.9

DIRECT ASSIGNMENT OF COE AND C&WF TO TRANSPORT ELEMENTS

<u>Category</u>	<u>Transport Element</u>
COE Category 2	Intertoll Switching
COE Category 4.11 & 4.12	Line Haul Non-Distance Sensitive
COE Category 4.2	Line Haul Non-Distance Sensitive
COE Category 4.3	Line Haul Non-Distance Sensitive
C&WF Category 2	Line Haul Distance Sensitive
C&WF Category 3	Line Haul Distance Sensitive
C&WF Category 4	Line Haul Distance Sensitive

E. Calculation of Cash Working Capital

Total company, interstate, access category and Transport element amounts of Cash Working Capital were calculated according to the simplified formula prescribed in a Commission Order.⁴ This formula is displayed below. Amounts calculated by these methods are displayed in Exhibits 6.4 and 6.7.

$$\text{Cash Working Capital} = 0.041096 \times \text{Total Amount for Allowances}$$

Where, Total Amount for Allowances

$$\begin{aligned} &= \text{Total Operating Expenses} + \text{Operating Taxes} + \text{Interest \& Related Items} \\ &+ \text{Charitable Contributions} + \text{Interest on Customer Deposits} \\ &+ \text{Allowance for Funds Used During Construction} \\ &- \text{Depreciation \& Amortization Expense} \end{aligned}$$

⁴ See Amendment of Part 65 of the Commission's Rules to Prescribe Components of the Rate Base and Net Income of Dominant Carriers, CC Docket No. 86-497, Report and Order, 3 FCC Rcd 269 (1987), Order on Reconsideration, 4 FCC Rcd 1697 (1989).

EXHIBIT 6.10

INDIRECT ALLOCATION OF ACCOUNTS TO TRANSPORT ELEMENTS

<u>Account</u>	<u>Indirect Allocation Basis</u>
General Support Facilities	COE + C&WF
Tangibles	COE + C&WF
Intangibles	COE + C&WF
Materials and Supplies	COE + C&WF
Rural Telephone Bank Stock	COE + C&WF
Other Telecommunications Plant	COE + C&WF
Other Non-Current Assets	COE + C&WF
Cash Working Capital	COE + C&WF
Accumulated Depreciation	COE + C&WF
Accumulated Amortization	COE + C&WF
Net Deferred Income Taxes	COE + C&WF
Network Support Expense	COE + C&WF
General Support Expense	COE + C&WF
Central Office Equipment Expense	COE
Cable & Wire Facilities Expense	C&WF
Other Property Plant & Equipment Expense	COE + C&WF
Network Operations Expense	COE + C&WF
Depreciation & Amortization Expense	COE + C&WF
Marketing Expense	COE + C&WF
Service Expense	COE + C&WF
Executive & Planning Expense	Big Three Expenses
General & Administrative Expense	Big Three Expenses
Contributions	Big Three Expenses
Interest & Related Items	COE + C&WF
Patronage Dividends	Average Net Investment
Interest on Customer Deposits	COE + C&WF
Other Long Term Liabilities	COE + C&WF
Federal Income Tax	COE + C&WF
Federal Investment Tax Credits	Total Plant in Service
Other Operating Taxes	COE + C&WF
Allowance For Funds Used During Construction	Total Plant in Service

F. Calculation of Interstate Access Category Revenue Requirements

Revenue requirements were computed for each access category and Transport element for sample study areas in accordance with the Commission's Part 65 rules. To ensure that data from a consistent set of sample average schedule study areas underlie test period settlement formula development and to maintain compatibility between test period cost and demand data forecasts, certain sample study areas were excluded from this analysis. The study areas excluded were involved in merger activity, had acquired access lines or exchanges from a cost company, or had elected to withdraw from NECA's traffic sensitive pool. Revenue requirements were calculated for each access category and for the Transport subcategories using the following formulas:

$$\begin{aligned} \text{Total Investment} = & \text{Central Office Equipment} + \text{Cable and Wire Facilities} \\ & + \text{General Support Facilities} + \text{Other Telecommunication Plant} + \text{Tangibles} \\ & + \text{Intangibles} + \text{Materials and Supplies} + \text{Rural Telephone Bank Stock} \end{aligned}$$

$$\begin{aligned} \text{Average Net Investment} = & \text{Total Investment} + \text{Other Non-Current Assets} \\ & + \text{Cash Working Capital} - \text{Accumulated Depreciation \& Amortization} \\ & - \text{Net Deferred Income Taxes} - \text{Other Long Term Liabilities} \end{aligned}$$

$$\text{Return}^5 = \text{Average Net Investment} \times 0.1125$$

$$\begin{aligned} \text{FIT Taxable Income} = & \text{Return} - \text{Interest and Related Items} \\ & - \text{Federal Investment Tax Credit} - \text{Patronage Dividends} \\ & + \text{Allowance For Funds Used During Construction} - \text{State Income Tax} \end{aligned}$$

$$\begin{aligned} \text{Net Federal Income Tax}^6 = & [\text{FIT Taxable Income} \times 0.330153 / (1 - 0.330153)] \\ & - \text{Federal Investment Tax Credit} \end{aligned}$$

⁵ This method assures that average schedule formulas are calibrated to the rate of return authorized by the Commission.

⁶ Federal Income Taxes are calculated only for non-tax exempt average schedule study areas, using the tax status reported to NECA. If the Federal Income Tax calculation for any study area resulted in a negative value, a zero value was used. Federal Income Tax is calculated using the average Effective Tax Rate developed using sample cost study data, as described in Section IV.G.

$$\begin{aligned}
\text{Total Expenses and Other Taxes} = & \text{Network Support Expense} \\
& + \text{Central Office Equipment Expense} + \text{Cable \& Wire Facilities Expense} \\
& + \text{General Support Facilities Expense} + \text{Other Property Plant \& Equipment Expense} \\
& + \text{Network Operations Expense} + \text{Depreciation \& Amortization Expense} \\
& + \text{Marketing Expense} + \text{Services Expense} + \text{Executive \& Planning Expense} \\
& + \text{General \& Administrative Expense} + \text{Charitable Contributions} \\
& + \text{Other Operating Taxes} + \text{Interest on Customer Deposits}
\end{aligned}$$

$$\begin{aligned}
\text{Revenue Requirement} = & \text{Total Expenses and Other Taxes} + \text{Return} \\
& + \text{Federal Income Tax - Allowance for Funds Used During Construction}
\end{aligned}$$

$$\text{Monthly Revenue Requirement} = \text{Revenue Requirement} / 12$$

Next, the following adjustments, described in Sections VI.G through VI.I were made to the revenue requirements:

- Carrier Access Billing System (CABS) Adjustment
- Signaling System 7 (SS7) Adjustment
- Leased Transport Facilities Adjustment

G. Carrier Access Billing System (CABS) Adjustment

NECA uses a special study of cost company data to add CABS costs to the Central Office Settlement formula, as described in Section VII.E.1. Consequently, to avoid double recovery of these costs, NECA removed CABS costs, already present in the average schedule revenue requirements.

The CABS costs, used in this study, were determined from the CABS formula filed in 2001⁷ (used for settlements in the first half of 2003) and the CABS formula developed in 2002⁸ (used for settlements in the second half of 2003). The 2005 Study CABS costs were the average monthly payments calculated pursuant to these formulas, using test period access minutes, defined in Section V.C, and exchange counts, defined in Section III.E. The CABS Adjustment Factor was then computed as follows:

CABS Adjustment Factor

$$\begin{aligned}
 &= 1 - \frac{\sum(\text{Sample Weight} \times \text{2003 Monthly CABS Costs})}{\sum(\text{Sample Weight} \times \text{Total Monthly TS Revenue Requirements})} \\
 &= 1 - 0.080562 \\
 &= 0.919438
 \end{aligned}$$

The summations are over all average schedule study areas.

The Central Office, Transport and Special Access revenue requirements were adjusted by this fraction to produce the final revenue requirements used to derive the formulas described in Section VII.

H. Signaling System 7 (SS7) Adjustment

NECA uses a special study of SS7 costs to determine a separate settlement formula for SS7. Therefore, NECA removed SS7 costs from Traffic Sensitive revenue requirements to avoid double recovery. Using 2003 settlement data, corresponding to 2003 accounts which are the basis of this study, NECA calculated the test period Traffic Sensitive revenue requirement

⁷ National Exchange Carrier Association, Inc., 2002 Proposed Modifications to the Interstate Average Schedule Formulas, Dec. 31, 2001 (December 2001 Filing).

⁸ Ibid.

adjustment ratio as:

$$\begin{aligned} SS7 \text{ Adjustment Factor} &= 1 - \frac{\Sigma(SS7 \text{ Settlements})}{\Sigma(TS \text{ Settlements})} \\ &= 1 - 0.026728 \\ &= 0.973272 \end{aligned}$$

The summations are over all average schedule study areas over all months of 2003. All Traffic Sensitive test period revenue requirement values for each average schedule sample study area were multiplied by this ratio to remove SS7 costs.

I. Leased Transport Facilities Adjustment

In accordance with FCC rules, leased C&WF costs of line haul facilities are accounted for in the C&WF expense account, which in Part 69 is apportioned among the Common Line, Transport and Special Access categories. NECA's average schedule methods, however, calculate settlements for leased circuit miles using the Distance Sensitive Line Haul Formula. To correctly align the leased circuit miles with the lease expense costs in settlement formulas, NECA assigned all line haul C&WF lease expense to the distance sensitive Transport revenue requirement.

Using preliminary allocations of C&WF expense to the access elements, NECA first estimated the total long route revenue requirement and the amount in each access category. NECA then moved the proportionate amount of C&WF expense associated with long routes from the Common Line and Special Access categories to the transport element. This adjustment, which was applied only to study areas with long route circuit miles, resulted in a \$24,267 shift of CWF expense from Common Line and Special Access to transport.

J. Central Office Revenue Requirements for High Traffic Volume Study Areas

To support analyses of settlement rates for high traffic volumes, NECA separately calculated central office revenue requirements for high traffic volume study areas. These calculations were completed using the high traffic volume accounting and demand, described in Section III.F. These costs and demand were separated using methods described in Section VI.B and VI.C. Revenue requirement values developed in this section were used to support development of settlement formulas, including coefficients for high traffic volumes, as described in Section VII.

VII. SETTLEMENT FORMULA DEVELOPMENT

A. Introduction

This section describes 2005 Study development methods for the following average schedule settlement formulas:

- Common Line Access Line
- Universal Service Support Contribution Reimbursement
- Central Office
- Intertoll Dial Switching
- Line Haul Distance Sensitive
- Line Haul Non-Distance Sensitive
- Special Access
- Signaling System 7 (SS7)
- Rate of Return Factors
- Equal Access Implementation

Development of these settlement formulas is described in Sections VII.B through VII.M. Impacts of the proposed settlement formulas are described in Section VII.N. Transition considerations are discussed in Section VII.O. The proposed formulas are displayed in Section VIII, where they are contrasted with current formulas.

In addition, Section VII.E explains the development of Local Switching Support Fractions, which NECA will use to determine the portion of central office settlements that will be funded by universal service programs, rather than from NECA's tariff revenues. USAC has confirmed that it intends to use these same fractions in its filing of the Average Schedule Local Switching Support Formula pursuant to FCC rules §54.301(f)(1), and in its calculation of support payments to average schedule companies in 2007.

Each year NECA analyzes and estimates relationships between access cost and access demand and proposes formula revisions, where necessary, to reflect changes in these relationships. Settlement formulas can be revised for several reasons, such as:

- FCC rule changes
- Cost and demand growth
- Technology changes
- Network structure changes
- Tariff changes

B. Outlier Analysis

For each formula that uses sample data from average schedule study areas, outlier analysis was performed. Most settlement formulas are developed either by linear regression or ratio estimates, which use outlier accommodation methods described in Section IV.C. The Common Line Access Line and Non-Distance Sensitive formulas are non-linear models which require an additional step to develop the *DFFITs*¹ statistic required by the outlier accommodation method.

C. Common Line Access Line Formula

Common Line formulas include the Common Line Access Line formula (described here in Section VII.C), the Common Line Universal Service Contribution Reimbursement formula (Section VII.D), the Common Line Line Port and Common Line Transport formulas (Section VII.M), and the Common Line Rate of Return Factor formula (Section VII.K).

The Common Line Access Line formula is designed to compensate average schedule companies for interstate costs associated with subscriber access lines (*e.g.*, cable, drop, protector and circuit

¹ See Section IV. C for a discussion of outlier methods.

equipment). Relative costs of much of this equipment and associated expenses are usually higher in lower density exchange areas. To reflect this relationship, the formula relates the Common Line revenue requirement per access line to access lines per exchange. The formula results in a set of connected lines and curves for a designated range of study areas with average access lines per exchange. Access lines used in the development of this formula were projected to the test period as described in Section V. Derivation of the Common Line revenue requirement is explained in Section VI.F.

Since larger study areas generally have a lower Common Line revenue requirement per access line, the formula has two parts; one for larger study areas, and the other for smaller study areas. Each part is a set of connected lines and curves used for a designated range of study areas with average access lines per exchange. The part for larger study areas is parallel to but below the part for smaller study areas.

The Common Line Access Line formula relates common line cost per line (CPL) to the study area's access lines per exchange (LPE). This model has the following parameters:

- Three lines per exchange breakpoints which delimit the groups of study areas with lower values of lines per exchange from those above (K_1), the midrange values of lines per exchange from those above (K_2), and the upper values of lines per exchange from those below (K_3). The latter two limits were determined by graphical analysis to be 10,000 and 15,000 respectively. The lower lines-per-exchange delimiter was resolved by regression methods.
- For the lower lines-per-exchange group, a slope (b_1) and intercept (a_1) of the formula are estimated by regression methods.

- For the midrange lines-per-exchange group, the slope (b_2) is estimated by regression methods, while the intercept (a_2) is resolved by a constraint that requires that the small company line meet the midrange curve at K_1 .
- A High Lines per Exchange Multiplier (M) for the upper lines-per-exchange group, which is estimated by regression methods.
- For the formula component that transitions between the components for the mid-range and upper groups, the intercept and slope are resolved by constraints that the transitional line meet the midrange and large company curves at K_2 and K_3 respectively.
- For study areas with access lines greater than 10,000 and exchange counts greater than five, a new CL Adjustment Multiplier is used to reduce the settlement rates calculated for these study areas relative to the settlement rates for other study areas.

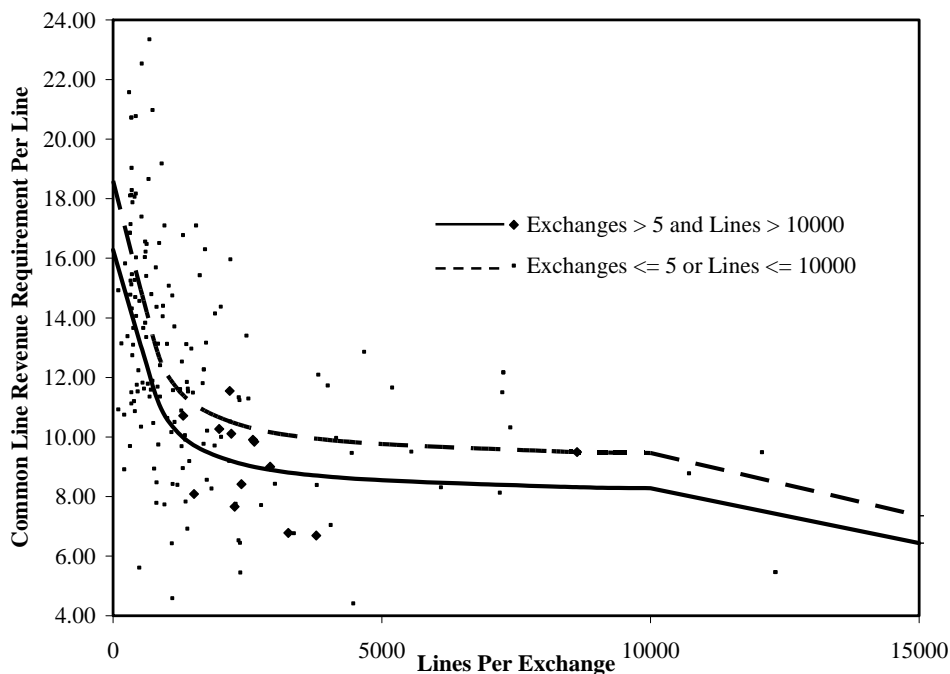
To assure that the Common Line formula targets settlements accurately, NECA first updated the current Common Line formula using data from this year's average schedule study, then compared settlement rates from this formula to the unit costs of sample companies. This comparison showed that the unit cost derived from the current formula structure no longer closely matches the unit costs of study areas with higher access line counts and higher exchange counts. Furthermore, NECA determined that the formula could not be made to better fit the costs of these study areas without systematically understating the costs of other study areas. Consequently, NECA investigated ways to modify the formula to better fit the data of the larger study areas without harming the fit of other study areas' data.

Analyzing data of various ranges of access line sizes and exchange counts, NECA found that the updated view of the current formula would overpay study areas with more than 10,000 access lines and more than five exchanges. NECA further found that a formula parallel to, but below, the

updated formula would fairly compensate these study areas. Consequently, NECA developed a CL Adjustment Multiplier which would reduce these study areas' settlement rates 10.89% below the settlement rate that would otherwise apply to a smaller study area with the same access lines per exchange ratio.

Exhibit 7.1 shows how the proposed formula effectively targets common line settlements between the two groups of study areas. Data of the larger study areas are designated by black diamond shapes, while data of the smaller study areas are designated by small dots. The exhibit shows that the upper set of lines and curves passes above the cost per line data of nearly all of the black diamonds, while the lower set passes directly through the trend of these data. This evidence, together with an improved *R-Square* statistic and a significant *t-statistic* associated with the use of the two-part model, provided sufficient cause to propose this change to the common line formula structure.

EXHIBIT 7.1
Parts of Common Line Formula Fit to Cost Per Line Data



NECA further tested to verify that this formula change was supported by data from prior average schedule studies, thus assuring that the evidence supporting the change is not an outcome of sampling variance in one study year. Data from the preceding studies supported an increasing trend where the group of larger study areas had costs that are lower than the current formula. Thus, there is continuing evidence supporting the reliability of the proposed formula structure.

As in previous studies, to set other coefficients of the common line formula, NECA analyzed graphically the Common Line Access Line revenue requirements of study areas with higher lines per exchange. Study areas with lines per exchange below 10,000 had relatively higher revenue requirements per line. Study areas with lines per exchange greater than 15,000 had relatively lower revenue requirements per line. There was no conclusive trend of revenue requirement per line for study areas between 10,000 and 15,000 lines per exchange. Therefore, NECA continues the use of 10,000 and 15,000 lines per exchange as the limits K_2 and K_3 respectively.

Regression measures were used to determine the value of K_1 , the delimiter between the lower and mid-range lines-per-exchange components. The best-fitting breakpoint derived by this method was 2,000 lines per exchange.

The formula component for the upper lines-per-exchange group is proportionately reduced from the midrange curve using the High Lines-Per-Exchange Multiplier M . This multiplier accounts for the lower cost per line of the upper group, producing a better model fit.

The best-fitting combination of parameters a_1 , b_1 , b_2 , M and CL Adjustment were estimated using a weighted non-linear regression model, derived as follows. For study areas with five or fewer exchanges, or with fewer than 10,000 access lines the following relationships were used.

For companies with $LPE < 2,000$,

$$CPL_i = a_1 + b_1 \times LPE_i$$

For companies with $2,000 \leq LPE < 10,000$,

$$CPL_i = a_2 + b_2 / LPE_i$$

For companies with $10,000 \leq LPE < 15,000$,

$$CPL_i = P_i \times (a_2 + b_2 / 10,000) + (1 - P_i) \times M \times (a_2 + b_2 / 15,000)$$

$$P_i = \frac{15,000 - LPE_i}{15,000 - 10,000}$$

For companies with $15,000 \leq LPE$,

$$CPL_i = M \times (a_2 + b_2 / LPE_i)$$

The following indicator variables are needed to program this model.

$$\begin{aligned} \delta_{1i} &= 1 \text{ if } LPE_i < 2,000; \text{ otherwise } \delta_{1i} = 0. \\ \delta_{2i} &= 1 \text{ if } 2,000 \leq LPE_i < 10,000; \text{ otherwise } \delta_{2i} = 0. \\ \delta_{3i} &= 1 \text{ if } 10,000 \leq LPE_i < 15,000; \text{ otherwise } \delta_{3i} = 0. \\ \delta_{4i} &= 1 \text{ if } 15,000 \leq LPE_i; \text{ otherwise } \delta_{4i} = 0. \end{aligned}$$

Then the model is written as:

$$\begin{aligned} CPL_i &= \delta_{1i} (a_1 + b_1 \times LPE_i) + \delta_{2i} (a_2 + b_2 / LPE_i) \\ &+ \delta_{4i} \times M \times (a_2 + b_2 / LPE_i) + P_i \times \delta_{3i} \times (a_2 + b_2 / 10,000) \\ &+ (1 - P_i) \times \delta_{3i} \times M \times (a_2 + b_2 / 15,000) \end{aligned}$$

And for companies with access lines greater than 10,000 and more than five exchanges, the model is written as:

$$\begin{aligned} CPL_i = & CL\ Adjustment \times \{ \delta_{1i} (a_1 + b_1 \times LPE_i) + \delta_{2i} (a_2 + b_2 / LPE_i) \\ & + \delta_{4i} \times M \times (a_2 + b_2 / LPE_i) + P_i \times \delta_{3i} \times (a_2 + b_2 / 10,000) \\ & + (1 - P_i) \times \delta_{3i} \times M \times (a_2 + b_2 / 15,000) \} \end{aligned}$$

The combined model has the linear constraint that:

$$a_1 + b_1 \times 2,000 = a_2 + b_2 / 2,000$$

Consequently,

$$a_2 = a_1 + (b_1 \times 2,000) - (b_2 / 2,000)$$

Therefore, regression model parameters are reduced to a_1 , b_1 , b_2 , M and $CL\ Adjustment$.

Substituting the constraints in the model and rearranging its terms, the model is rewritten in the following form suitable for regression estimation.

$$\begin{aligned} CPL_i = & (1 - \gamma_i) \times \{ a_1 \times (A1_i + M \times A2_i) + b_1 \times (B1_i + M \times B2_i) + b_2 \times (C1_i + M \times C2_i) \} \\ & + \gamma_i \times CL\ Adjustment \times \{ a_1 \times (A1_i + M \times A2_i) + b_1 \times (B1_i + M \times B2_i) + b_2 \times (C1_i + M \times C2_i) \} \end{aligned}$$

Where,

$$A1_i = \delta_{1i} + \delta_{2i} + \delta_{3i} \times P_i$$

$$A2_i = \delta_{3i} \times (1 - P_i) + \delta_{4i}$$

$$B1_i = \delta_{1i} \times LPE_i + 2,000 \times (\delta_{2i} + \delta_{3i} \times P_i)$$

$$B2_i = 2,000 \times [\delta_{3i} \times (1 - P_i) + \delta_{4i}]$$

$$\gamma_i = 1 \text{ if } Lines_i > 10,000 \text{ and } Exchanges_i > 5, \text{ and } \gamma_i = 0 \text{ otherwise}$$

$$C1_i = \left(-\frac{1}{2,000} \right) \times (\delta_{2i} + \delta_{3i} \times P_i) + \frac{\delta_{2i}}{LPE_i} + \frac{P_i \times \delta_{3i}}{10,000}$$

$$C2_i = \left(-\frac{1}{2,000} \right) \times [\delta_{3i} \times (1 - P_i) + \delta_{4i}] + \frac{\delta_{3i} \times (1 - P_i)}{15,000} + \frac{\delta_{4i}}{LPE_i}$$

Using the variables CPL_i , $A1_i$, $A2_i$, $B1_i$, $B2_i$, $C1_i$, and $C2_i$, the program NLIN (NonLINear regression)² solves for parameters a_1 , b_1 , b_2 , M and CL Adjustment that best fit the data.

The resulting line and curve model produces two stable, continuous parts of the settlement formula with an *R-Square* statistic of 0.2427, a *t-statistic* of 27.04 for a_1 , a *t-statistic* of 4.73 for b_1 , a *t-statistic* of 0.19 for b_2 , a *t-statistic* of 3.65 for M , and a *t-statistic* of 8.74 for CL Adjustment. The proposed formula is shown in Section VIII.

D. Common Line Universal Service Contribution Reimbursement Formula

NECA proposes to continue the settlement method which became effective on January 1, 1998, to compensate average schedule companies for their interstate access costs of contributions to the universal service fund. Under section 54.706 of the Commission's rules, all telecommunications service providers, including average schedule companies, are required to contribute to the universal service funds.³

The Universal Service Order⁴ directs carriers to assign all contributions to federal universal service programs to the interstate jurisdiction, and prescribes that the appropriate contribution costs (based on revenues from regulated services) borne by ECs not subject to federal price caps be assigned to their common line revenue requirement. Accordingly, cost companies will assign these costs to the

² SAS Institute Inc., *SAS/STAT® User's Guide, Version 6*, 1,135 (4th ed. SAS Institute Inc., 1990).

³ Under section 54.708 of the Commission's rules, there is an exemption for companies whose contribution would be *de minimus*.

⁴ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Report and Order*, 12 FCC Rcd 8776 (1997).

interstate jurisdiction in their cost separations studies, and will recover these costs from end user charges.⁵

In the December 1997 Filing,⁶ NECA proposed that the same principles apply to average schedule companies and filed a common line universal service contribution settlement formula equal to the portion of the contribution paid that is associated with the regulated revenues of the average schedule company. This amount is assigned to the common line revenue requirement according to Commission rules. The Commission initially approved this method in a 1998 order,⁷ and in all subsequent years.

The rules regarding Universal Service Contributions have changed from year to year. Consequently, historical demand or revenue data is not an accurate predictor of next year's contributions. Therefore, NECA proposes to continue the current structure, which compensates for actual universal service contributions made by carriers.

E. Central Office (CO) Formula

The Central Office (CO) formula is designed to compensate average schedule companies for the local switching costs of interstate access calls, and for the cost of interstate carrier access billing systems (CABS). The cost of providing these functions has been found to depend on total switched

⁵ MAG Order at ¶ 177.

⁶ National Exchange Carrier Association, Inc. Proposed Modifications to the 1998-99 Interstate Average Schedule Formulas, AAD 98-20, *Order*, 13 FCC Rcd 17351 (1998).

⁷ *June 1998 Order*.

interstate access minutes, access lines, number of exchanges served, and relative access minutes per access line.

The proposed structure is identical to that of the current CO formula and includes a basic settlement per minute and per exchange, an access line factor, and a settlement per study area for the component of CABS billing cost which is independent of the count of access minutes. The basic formula consists of an exchange component, three per minute components corresponding to three tiers of minutes per line, and a high volume access line multiplier. The multiplier produces a better relationship between access line size and the cost of serving study areas with high volumes of minutes per line.

In previous studies, NECA analyzed detailed engineering data to determine switching equipment requirements to serve high traffic volumes. The proposed formula structure continues to reflect the findings of these analyses.

In addition, this section recognizes that average schedule companies will recover part of their local switching formula costs through access charges, and part through universal service support payments. To identify the split of funding between these sources, NECA develops a table of local switching support fractions.

The CO formula has the following parameters:

- A coefficient of the exchange variable (b) and of the normal volume minute variable (a_1)
- A breakpoint in the access line factor model (K) where the sloping line for companies with smaller access line counts meets the horizontal line for study areas with larger access line counts. This breakpoint was chosen to be 15,000, which is the average of upper limits of

the first two DEM weight groups according to Commission rules.⁸

- The intercept of the large company access line factor line (w), which, by design, is equal to 1.0.
- Slope (v) and intercept (u) of the small company access line factor (ALF) component. The slope and the intercept are estimated by regression and are further adjusted to ensure that the small company ALF line and the large company ALF line meet at K.
- The high volume access line multiplier (M) which was resolved iteratively, as the one which fit the high volume data best.
- Coefficients of high volume minutes (a_2 and a_3) which were resolved iteratively.
- Coefficient (e) of normal volume access minutes and an intercept (c) of the CABS cost model. These coefficients were determined using cost company data.

1. Studies of Cost Company Data

a. A Model of Carrier Access Billing System (CABS) Costs

Each average schedule company incurs monthly costs to render access bills to interexchange carriers. The Carrier Access Billing System (CABS) cost components of the CO settlement formula are designed to compensate average schedule companies for the interstate portion of these costs. Development of the CABS formula consisted of calculating cost study CABS revenue requirements, followed by regression modeling. This analysis used sample cost company exchange counts and 2003 cost studies.

⁸ 47 C.F.R. § 36.125(f).

Average schedule companies do not separately account for CABS costs. Rather, according to Class B accounting practices, these costs are included with many other costs in Account 6620, Services Expenses. Consequently, a focused analysis of CABS costs incurred by average schedule companies would not be practical.

On the other hand, according to separations methods prescribed in section 36.381 of the Commission's rules, CABS cost data were reported explicitly in cost studies. These data provided a suitable basis for analysis of average schedule CABS costs. Factors that determine CABS costs include the number of interexchange carriers billed, the number of exchanges served, the number of separate Special Access services and service orders billed, and the complexity of meet point arrangements. NECA's review of CABS documents supplied by sample average schedule and cost companies indicated similar distributions of these factors in the two groups. Consequently, NECA concluded that CABS costs from sample cost study areas would adequately represent average schedule CABS costs.

The CABS revenue requirement was calculated in two steps. First, 2003 sample cost study accounts were forecasted to the test period using the stratified composite account growth rates derived in Section V.B.6. These accounts are displayed in Appendix B1. Second, each sample cost study area's projected interstate CABS revenue requirement was determined using the method shown in Exhibit 7.2.

NECA developed a model using the number of normal volume switched access minutes as the independent variable. The model from the 2004 Average Schedule study included the number of exchanges as an independent variable. This model was

tested but was rejected because the number of exchanges variable is no longer statistically significant. The proposed CABS formula resulting from the regression model follows.

$$CABS\ Cost = 4156.8 + (0.00107 \times \text{Number of Minutes})$$

$$\begin{array}{llll} R^2 = 0.068 & t\text{-statistic (Minutes)} & = & 3.69 & F\text{-statistic} = 13.63 \\ & t\text{-statistic (Intercept)} & = & 7.04 & \end{array}$$

EXHIBIT 7.2

ILLUSTRATIVE CALCULATION OF CABS REVENUE REQUIREMENT USING WEIGHTED SUMMED AMOUNTS FROM COST SEPARATIONS STUDIES (IN THOUSANDS)

Services Expense Category 2 (Revenue Accounting)

A.	Unseparated CABS Expense	\$36,302
B.	Interstate CABS Expense	\$18,151

Interstate Indirect Costs Calculation

	Depreciation & Amortization Expense	\$328,807
	Tax Expense	\$47,922
	General & Administrative Expense	\$174,980
	Executive & Planning Expense	\$68,606
C.	Total Interstate Indirect Costs	\$620,315

Unseparated Indirect Costs Calculation

	Depreciation & Amortization Expense	\$914,870
	Tax Expense	\$138,669
	General & Administrative Expense	\$460,755
	Executive & Planning Expense	\$202,386
D.	Total Unseparated Indirect Costs	\$1,716,680
E.	Total Unseparated Expenses	\$3,039,128
F.	Unseparated Expense Less Unseparated Indirect Costs (Line E - Line D)	\$1,322,448
G.	CABS Indirect Costs Fraction (Line A / Line F)	0.027450
H.	Interstate CABS Indirect Costs (Line G x Line C)	\$17,028
I.	Total Interstate CABS Cost (Line B + Line H)	\$35,179

b. Local Switching Support Allocation Data from Cost Companies

To develop factors representing the average proportion of investment assigned to the local switching category, this study uses data from sample cost companies assigned to five groups.

Local switching investment is part of the investment included in the COE Switching account (Account 2210). The part of Account 2210 that is local switching investment (Category 3) is determined as part of a cost separations study.

From each sample cost company, NECA obtained the total amount of unseparated COE investment and the amount of unseparated COE investment that is local switching investment (COE Category 3). From these data, an average local switching fraction was calculated in each of five Support Groups shown in Exhibit 7.3, using the standard weighted ratio estimate.⁹

The five support groups displayed in Exhibit 7.3 were chosen to recognize that categorization and local switching support fractions vary with respect to DEM weight, which is determined by access line size group, and with respect to equipment that switches higher than average traffic volumes.¹⁰ The cost companies were

⁹ The equation for this estimate is expressed as follows.

$$Ratio = \frac{\sum (Weight_i \times y_i)}{\sum (Weight_i \times x_i)}$$

¹⁰ Section 36.125 of the Commission's rules defines DEM weight groups that correspond to the access line groupings shown in Exhibit 7.2. The same section of the rules describes a cap of 0.85 to Weighted DEM. Weighted DEM generally reaches this cap when a study area has higher than average relative traffic volumes. In average schedule formulas, the comparable effect for average schedule companies is measured by the settlement level threshold of 350 monthly interstate access minutes per access line. See National Exchange Carrier Association, Inc., Proposed Modifications to the Interstate Average Schedule Formulas, AAD 96-2, *Memorandum Opinion and Order*, 11 FCC Rcd 7651(1996).

assigned to support groups based on current access line counts reported to NECA for settlements. All companies with more than 50,000 access lines were assigned to the support group with more than 50,000 access lines. All other companies with more than 350 monthly access minutes per line were assigned to the support group with more than 350 minutes per line. The remaining companies were assigned to bands based on their DEM weight.

EXHIBIT 7.3

Local Switching Categorization Factors From Group C Cost Companies

(A)	(B)	(C)	(D) = (C) / (B)
Support Group	COE	Category 3 COE	Categorization Factor
Less Than 10,000 Lines	\$1,384,496,435	\$602,115,710	0.434899
10,000 to 20,000 Lines	\$875,118,832	\$350,448,668	0.400458
20,000 to 50,000 Lines	\$493,476,484	\$210,085,834	0.425726
More Than 50,000 Lines	\$342,209,213	\$131,369,017	0.383885
More than 350 Minutes of Use Per Line Per Month	\$337,511,365	\$141,148,984	0.418205

Use of these categorization factors to categorize average schedule account data is described in Section VII.E.2.c below.

NECA also used cost study data to determine LSS factors for sample average schedule companies. NECA calculated weighted average ratios from these data in each of the five support groups. These values are shown in Exhibit 7.4.

EXHIBIT 7.4

Local Switching Support Factors From Group C Cost Companies

	(A)	(B)	(C) = (A) - (B)
Support Group	Capped Weighted DEM	1996 Relative DEM	LSS Factor
Less Than 10,000 Lines	0.570206	0.190069	0.379986
10,000 to 20,000 Lines	0.416973	0.166789	0.250184
20,000 to 50,000 Lines	0.349449	0.174724	0.174724
More Than 50,000 Lines	0.162234	0.162234	0.000000
More than 350 Minutes of Use Per Line Per Month	0.782891	0.283461	0.498790

The LSS factors¹¹ from this table were used to develop average schedule support fractions, as described in Section VII.E.2.c.

Cost company support fractions were calculated as the ratio of local switching support amounts to interstate central office revenue requirements. NECA used cost study data to determine the relationship between the local switching support fractions for study areas with normal traffic volumes, and the support fractions of study areas with high traffic volumes. Study areas with high traffic volumes generally have a weighted DEM value capped at 0.85 according to Commission rules. As a result, these study areas tend to have support that is a lower fraction of unseparated revenue requirement than other study areas.

¹¹ This calculation is done for each study area. Data for study areas with capped weighted DEM cause this calculation not to be precise in aggregate.

To determine the relationship between support fractions of these two groups, NECA summarized the following data:

- Support according to each study area's costs and local switching support factor.
- Imputed support that would be paid if each study area's support fraction were the same as the average of normal volume study areas in the same access line size band.

Both of these calculations are sums over the Group C cost company population. From these summations, NECA calculated the average adjustment from normal volume support fractions to high volume support fractions.

High Volume Support Fraction Adjustment

$$\begin{aligned}
 &= \frac{\sum_{\text{High Volume ECs}} (\text{LS Support Based On Cost Study})}{\sum_{\text{High Volume ECs}} (\text{Imputed Support Based on Normal Volume Support Fraction})} \\
 &= 0.960315
 \end{aligned}$$

Exhibit 7.9 shows the use of this adjustment ratio to develop support fractions for average schedule study areas with high traffic volumes.

2. Studies of Average Schedule Company Data

NECA also conducted the following studies of average schedule data, described in Sections VII.E.2, to determine CO settlement formula coefficients. In particular, these studies support the continued use of a rate per exchange, a rate for access minutes in the normal traffic volume range, lower rates for access minutes in high traffic volume ranges, and an access line factor. CO revenue requirements of average schedule study areas, described in Sections VI.F through VI.H, were used to develop such settlement rates to fit those data most accurately.

Also, NECA developed unseparated local switching revenue requirement data of sample average schedule companies. These data, taken with the categorization and support factors displayed in Exhibits 7.3 and 7.4, are used to develop the fractions of local switching settlements that will be funded from universal service payments.

The following methods were used to update settlement rates in the current formula structure in order to refine rates for high traffic volumes.

a. Preliminary Access Line Factor Formula

A baseline cost per minute was computed to equal the average monthly CO revenue requirement per minute among average schedule study areas having more than 15,000 access lines.

Baseline Cost Per Minute =

$$\frac{\sum (\text{Sample Weight} \times \text{Monthly Central Office Revenue Requirement} \times \text{Variance Weight})}{\sum (\text{Sample Weight} \times \text{Access Minutes} \times \text{Variance Weight})}$$

where the summations are taken over sample study areas with more than 15,000 access lines. This calculation produced a baseline cost per minute equal to 0.017062. This baseline cost per minute was used to determine the access line factor ratio for each study area as described below.

For each sample study area, an access line factor ratio was computed as follows:

$$\text{Access Line Factor Ratio}_i = \frac{\text{Central Office Revenue Requirement Per Minute}_i}{\text{Baseline Cost Per Minute}}$$

where i corresponds to the i th sample average schedule study area.

NECA used standard constrained linear regression methods to develop a model that related the Access Line Factor Ratio to access lines. Outliers were identified and accommodated as described in Section IV.C. This Preliminary Access Line Factor Model had the following structure:

For Study Areas with Access Lines Less Than 15,000 :

$$\text{Access Line Factor} = 2.22221 - 0.0000814806 \times \text{Access Lines}$$

For Study Areas with Access Lines Greater Than or Equal to 15,000 :

$$\text{Access Line Factor} = 1.0$$

$$R^2 = 0.8587 \quad F - \text{statistic} = 557.24 \quad t - \text{statistic (Access Lines)} = -6.47$$

An adjustment to the coefficients of this model is shown later in Section VII.E.2.d, which produces coefficients u and v of the central office formula.

b. Development of the Central Office Formula (Local Switching Only)

To determine the residual relationship between access minutes, exchange counts, and local switching costs, NECA next calculated a ‘basic’ central office cost for each sample study area, by removing the access line factor component of cost.

This analysis uses central office revenue requirements and demand data. Revenue requirements for sample study areas are developed in Section IV.F. Demand data for sample study areas are described in Section III.E. Revenue requirements for high traffic volume study areas are described in Section VI.J. Compilation of demand data for high traffic study areas is described in Section III.F. High traffic volume revenue requirements and corresponding demand were used for high traffic volume study areas that were also in the sample. The constrained regression method and results are described in detail below.

Using the Preliminary Access Line Factor Model in Section VII.E.2.a, NECA calculated a Model Access Line Factor value for each sample average schedule study area. Monthly central office revenue requirement was divided by the Preliminary Access Line Factor Model value for each study area.

To determine the correlation between central office costs and high traffic volumes, each study area is assigned to a traffic volume band. Study areas in Band 1 are those

with normal traffic volumes only. Band 2 includes study areas with traffic volumes exceeding a first breakpoint, K_1 , but less than a second breakpoint, K_2 . Band 3 includes study areas with traffic volumes exceeding K_2 .

A Basic Cost Per Minute was then calculated for each study area and each band.

$$\text{Basic Cost}_i = \frac{\text{Monthly Central Office Revenue Requirement}_i}{\text{Model Access Line Factor}_i}$$

$$\text{Basic Cost per Minute}_i = \frac{\text{Basic Cost}_i}{\text{Access Minutes}_i}$$

$$\text{Basic Cost per Minute}_j = \frac{\sum \text{Basic Cost Per Minute}_j}{\sum \text{Access Minutes}_j}$$

(i corresponds to the i th study area and j corresponds to the j th band.)

A High Volume Access Line Multiplier component of the formula helps produce settlements for high traffic volumes with equivalent accuracy between all access line size ranges. NECA's tests show that without the High Volume Access Line Multiplier, average schedule study areas with high traffic volumes and low access line counts would tend to receive settlements slightly below their modeled revenue requirements, while study areas with high traffic volumes and higher access line counts would tend to receive settlements above their revenue requirements. The High Volume Access Line Multiplier corrects this condition by causing the effective settlement rate to decrease as access lines increase. NECA continued to use the same structure for the High Volume Access Line Multiplier, as it had in prior Filings since 1995.

If Access Minutes per line > K₁ then

High Volume Access Line Multiplier = M / (Access Lines)

Else High Volume Access Line Multiplier = 1.0

The coefficient of the High Volume Access Line Multiplier was chosen by an iterative method described in the following section.

The iterative method repeats the calculation of model parameters once for each of many possible combinations of model parameter values. The accuracy of the model's fit to the data is evaluated for each of these iterations. The set of coefficients of all parameters tested that produced the most accurate model was chosen.

NECA defined the parameters for each iteration as follows. Trial values were chosen for each of the two high volume minutes per line thresholds, for the two Ratios of Settlement Rates described in Exhibit 7.5, and for the numerator of the High Volume Access Line Multiplier (HVALM). This method assures that all settlement rates are positive, assures that the high volume settlement rates relate logically to the normal volume settlement rate, and allows testing of alternatives to find the one that fits the data best.

For each iteration, NECA tested for consistency with the logical criteria and for the fit of the resulting CO settlement formula to the CO revenue requirements of all high traffic volume study areas. NECA identified iterations that met the constraints described and fit the data most accurately. The steps of this iterative process are detailed in Exhibit 7.5.

EXHIBIT 7.5
ITERATIVE PROCESS FOR DETERMINING
INITIAL CENTRAL OFFICE FORMULA COEFFICIENTS

1. Choose a numerator for the High Volume Access Line Multiplier, between 300 and 1000.
2. Choose a lower limit (K_2) for the highest high traffic volume tier (Band 3).
3. Choose a lower limit (K_1) for the middle high traffic volume tier (Band 2), between 280 and K_2 .
4. For each study area, calculate:
 $E = \text{Minutes per line in Band 1}$
 $F = \text{Minutes per line in Band 2} \times \text{HV Access Line Multiplier}$
 $G = \text{Minutes per line in Band 3} \times \text{HV Access Line Multiplier}$
 $\text{Total Minutes Multiplied} = E + F + G$

 $M1 = E / \text{Total Minutes Multiplied}$
 $M2 = F / \text{Total Minutes Multiplied}$
 $M3 = G / \text{Total Minutes Multiplied}$

 $\text{Exch} = \text{Exchange Count} / \text{Total Minutes Multiplied}$
 $Y = \text{Basic Cost} / \text{Total Minutes Multiplied}$
5. Select trial ratios of settlement rates:
 $R2 = \text{Band 2 Rate} / \text{Band 1 Rate (e.g., .0.5)}$
 $R3 = \text{Band 2 Rate} / \text{Band 1 Rate (e.g., .0.1)}$
6. Run constrained regression and validate results

 $Y = a_1 \times M_1 + a_2 \times M_2 + a_3 \times M_3 + b \times \text{Exch}$
 Constraint 1: $a_2 = R_2 \times a_1$
 Constraint 2: $a_3 = R_3 \times a_2$

The coefficients that simultaneously met all of these constraints are

$$a_1 = 0.018838 \qquad b = 286.5$$

Coefficients a_2 and a_3 were solved according to the constraints in Step 6 of exhibit 7.5.

The resulting coefficients, which fit the data best, are shown in Exhibit 7.6.

This initial CO formula does not disadvantage or to favor high traffic volume study areas. It produces settlements approximately equal to their Central Office revenue requirement in the aggregate. The initial CO formula has an overall *R-Square* statistic of 0.2113, a *t-statistic* for a_1 , and b of 26.86 and 5.30, respectively, and an *F-statistic* of 633.65. This set of coefficients did as well or better than any other in Mean Relative Absolute Deviation of high volume data, a measure developed by NECA for models that target a particular set of high variance data.

Exhibit 7.6	
Central Office Formula – Local Switching Only	
Settlement = Basic Settlement x Access Line Factor	
<u>Central Office Formula (Local Switching Only)</u>	
For Study Areas with Minutes Per Line Less Than or Equal To 350:	
Basic Settlement = (\$0.018838 x Access Minutes) + (\$286.50 x Exchanges)	
For Study Areas with Minutes Per Line Greater Than 350, but Less Than or Equal To 850:	
Basic Settlement = (\$0.018838 x 350 x Access Lines)	
+ \$0.009419 x [Access Minutes - (350 x Access Lines)] x High Volume	
Access Line Multiplier + (\$286.50 x Exchanges)	
For Study Areas with Minutes Per Line Greater Than 850:	
Basic Settlement = (\$0.018838 x 350 x Access Lines)	
+ {\$0.009419 x (850 – 350) x Access Lines	
+ \$0.000942 x [Access Minutes - (850 x Access Lines)]} x High	
Volume Access Line Multiplier + (\$286.50 x Exchanges)	
Access Line Factor	
For Study Areas with Access Lines Less Than 15,000:	
Access Line Factor = 2.22221 – 0.0000814806 x Access Lines	
For Study Areas with Access Lines Greater Than or Equal To 15,000:	
Access Line Factor = 1.0	
High Volume Access Line Multiplier = (450 / Access Lines)	

c. Development of the Local Switching Support Fractions

Local switching support fractions are used by NECA to determine the portion of average schedule local switching settlements that will be recovered by access charges pursuant to NECA's tariff.¹² The methods used by NECA in developing the

¹² NECA also expects that USAC will use these fractions, together with the Central Office Formula (Local Switching Only), to determine the average schedule Local Switching Support Formula for its filing scheduled for October 1, 2006.

LSS formula in this filing are the same as those filed and approved by the Commission each year since 1997.¹³

Commission rules prescribe the calculation of the LSS amount as follows.

$$\text{Local Switching Support} = \text{Unseparated Local Switching Revenue Requirement} \\ \times \text{Local Switching Support Factor}$$

where *Local Switching Support Factor* =

Minimum of 0.85 or (Weighted DEM Factor – 1996 Relative DEM Factor)

Weighted DEM Factor = 1996 Relative DEM x DEM Weight

DEM Weight = Minimum of 1997 through 2005 DEM Weight

For cost companies, the DEM Weight in this equation was based on the highest access line count occurring since January 1, 1997 per the *Separations Freeze Order*.¹⁴

NECA used accounting data, projected in Section V of this filing, to develop unseparated local switching revenue requirements for sample average schedule companies. These calculations made use of the cost company categorization factors from Exhibit 7.3 to assign COE investment to the Local Switching category. Other costs were assigned to the Local Switching category in proportions prescribed by Part 69 rules for calculation of access costs, as described in Exhibit 7.7. For example, COE expense was assigned to local switching in the same proportion as COE investment. As another example, General Support Facilities Investment was assigned in proportion to the combined amounts of COE, Cable and Wire Facilities

¹³ See, for example, National Exchange Carrier Association, Inc. Proposed 2005 Modification of Average Schedule Formulas, WC Docket No. 04-437, *Order*, 20 FCC Rcd 10002 (2005).

¹⁴ Jurisdictional Separations and Referral to the Federal-State Joint Board, CC Docket No. 80-286, *Report and Order*, 16 FCC Rcd 11382 (2001).

investment, and Information Origination and Termination investment.

A “Local Switching Proportion” was calculated for each account for each study area.

This proportion is the fraction of the study area’s account that NECA allocated to the local switching category. Each fraction has a ‘Basis’, (i.e. a local switching proportion from another account or group of accounts). The basis for calculating the fraction of the account allocated to local switching is shown in Exhibit 7.7.

The entry ‘Cost Studies’ in the ‘Basis’ column means that the local switching proportion was chosen from the set of Categorization Factors in Exhibit 7.3. In most other cases, the “Basis” column shows one or more line numbers, corresponding to the row numbers in the leftmost column of Exhibit 7.7. When no basis is shown, the line was calculated using methods described later in this section.

Although a particular basis of allocation yields the same proportion for a study area on every line that uses it, lines in Exhibit 7.7 with a common basis may show somewhat differing proportions, because of the interaction between study area proportions and study area fractions of total sample accounts.

Cash Working Capital amounts were calculated from these allocated costs using the simplified formula described in Section VI.E of this filing.

Revenue requirements for each sample company were calculated using the formula described in Section VI.F. Monthly unseparated revenue requirements for each sample company were used to develop the LSS fractions described below.

Similarly, Interstate Central Office Revenue Requirement, calculated for each sample average schedule company, was developed as explained in Section VI of this filing. NECA developed average schedule support fractions first for study areas with normal traffic volumes, then developed adjusted support fractions for study areas with high traffic volumes.

EXHIBIT 7.7

Unseparated Local Switching Revenue Requirements

	Account	Weighted Total	Local Switching Allocation	Local Switching Cost	Basis
1	Telecommunications Plant in Service	\$6,268,360,283	0.186714	\$1,170,388,339	
2	Central Office Equipment	\$2,388,170,492	0.416481	\$994,627,701	
3	COE Category 3	\$994,627,701	1.000000	\$994,627,701	Cost Studies
4	All Other COE	\$1,393,542,791	0.000000	\$0	
5	Cable & Wire Facilities	\$2,956,499,147	0.000000	\$0	
6	Information Origination/Termination	\$0	0.000000	\$0	
7	General Support Facilities	\$860,711,985	0.187916	\$161,741,293	2+5+6
8	Amortizable Tangible Assets	\$7,383,522	0.192234	\$1,419,365	2+5+6
9	Intangibles	\$55,595,137	0.226638	\$12,599,979	2+5+6
10	General Support Expense	\$44,996,517	0.190141	\$8,555,677	2+5+6
11	Telecommunications Plant--Other	\$126,376,807	0.160223	\$20,248,409	1
12	Rural Telephone Bank (RTB) Stock	\$22,586,462	0.157906	\$3,566,537	1
13	Materials & Supplies	\$24,376,008	0.156723	\$3,820,287	1
14	Cash Working Capital	\$35,493,689	0.159435	\$5,658,929	1
15	Accumulated Amortization	\$38,729,307	0.178465	\$6,911,837	1
16	Net Deferred Income Taxes	\$208,168,998	0.162051	\$33,733,923	1
17	Network Support Expense	\$4,053,860	0.162946	\$660,560	1
18	Other Property Plant & Equipment Exp.	\$2,479,497	0.159219	\$394,783	1
19	Network Operations Expense	\$93,725,289	0.160036	\$14,999,419	1
20	Marketing Expense	\$25,779,669	0.160759	\$4,144,317	1
21	Services Expense	\$139,501,146	0.161106	\$22,474,434	1
22	Operating Taxes	\$60,717,508	0.162533	\$9,868,587	1
23	Federal Investment Tax Credits	\$275,305	0.156735	\$43,150	1
24	Provision for Def. Op. Income Taxes-Net	\$11,953,592	0.174803	\$2,089,525	1
25	Interest & Related Items	\$27,721,667	0.157758	\$4,373,314	1
26	Allow. for Funds Used Dur. Constr.	\$2,398,015	0.147357	\$353,365	1
27	Charitable Contributions	\$1,349,136	0.159372	\$215,014	1
28	Other Non Current Assets	\$5,370,946	0.185591	\$996,799	1
29	Customer Deposits	\$215,770	0.157756	\$34,039	1
30	Other Long Term Liabilities	\$95,563,822	0.152317	\$14,556,016	1
31	Accumulated Depreciation	\$4,423,922,691	0.159012	\$703,457,855	1
32	Depreciation and Amortization Expense	\$439,366,086	0.158982	\$69,851,158	1
33	COE Expense	\$83,485,255	0.422849	\$35,301,686	2
34	CWF Expense	\$113,852,936	0.000000	\$0	
35	IOT Expense	\$0	0.000000	\$0	
36	Executive & Planning Expense	\$85,785,950	0.172272	\$14,778,510	19+20+21+33+34+35
37	General & Administrative Expense	\$176,266,113	0.164685	\$29,028,387	19+20+21+33+34+35
38	Net Plant Investment	\$2,247,566,044	0.198446	\$446,019,670	
39	Return on Investment	\$252,851,180	0.198446	\$50,177,213	
40	FIT Taxable Income	\$227,252,223	0.202920	\$46,114,113	
41	Federal Income Taxes	\$114,349,562	0.203969	\$23,323,744	
42	Expenses & Other Taxes	\$1,217,993,118	0.172639	\$210,272,530	
43	Revenue Requirement	\$1,582,795,845	0.179063	\$283,420,122	

The sample average schedule companies were assigned to a support group based on their forecasted access lines and access minutes. Support amounts in Exhibit 7.8 are the product of the Unseparated Local Switching Revenue Requirement and LSS Factors. The support fractions in Column F, compare sample company support amounts to their Interstate Central Office Revenue Requirement. Unique support fractions were developed for each support group.

EXHIBIT 7.8

Local Switching Support Fractions For Study Areas with Normal Traffic Volumes

(A)	(B)	(C)	(D)	(E) = (C) x (D)	(F) = (E) / (B)
Support Group	Interstate Central Office Revenue Requirement	Unseparated Local Switching Revenue Requirement	Local Switching Support Factor	Support Amounts	Support Fraction
Less Than 10,000 Lines	\$77,190,762	\$152,694,420	0.379986	\$58,021,742	0.751667
10,000 to 20,000 Lines	\$15,092,990	\$31,177,319	0.250184	\$7,800,066	0.516800
20,000 to 50,000 Lines	\$13,152,545	\$29,781,362	0.174724	\$5,203,519	0.395629
More Than 50,000 Lines	\$15,268,672	\$51,671,942	0.000000	\$0	0.000000

Next, NECA used the cost company High Volume Support Fraction Adjustment developed in Section VII.E.1.b to create a table of Support Fractions suitable to high volume average schedule study areas, as shown in Exhibit 7.9.

EXHIBIT 7.9

Local Switching Support Fractions For Study Areas with High Traffic Volumes

(A)	(B)	(C)	(D)
Support Group	Normal Volume Support Fraction	High Volume Support Fraction Adjustment	High Volume Support Fraction
Less Than 10,000 Lines	0.751667	0.960315	0.721837
10,000 to 20,000 Lines	0.5168	0.960315	0.496291
20,000 to 50,000 Lines	0.395629	0.960315	0.379928
More Than 50,000 Lines	0	0.960315	0.000000

These Support Fractions, will be used by NECA to determine the portion of local switching support settlements that will be recovered by access charges, the balance of Interstate Central Office Revenue Requirements will be recovered from the universal service fund.

d. Folding CABS Cost into the Initial Central Office Formula

Coefficients of the Cost Company CABS cost formula, derived in Section VII.E.1, and the Initial CO formula were then combined. This task was performed algebraically, as follows, ensuring that the combined formula produced settlements equal to the sum of settlements from the separate formulas. The derivation of the combined formula follows:

$$CABS \text{ Cost Formula} = c + e \times Min$$

Initial Central Office Formula (Prior to Folding-in CABS)

$$= (Initial \ CO \ Cost) \times (Preliminary \ Access \ Line \ Factor \ Model)$$

$$= (a_1 \times Min + b \times E) \times [(u_o + v_o \times L) \times I + (I - I)]$$

where: E = Number of Exchanges
L = Number of Access Lines
Min = Number of Monthly Normal Volume Access Minutes
I = 1, if Access Lines < 15,000
= 0, if Access Lines > 15,000

Final Central Office Formula (After Folding-in CABS)

$$= (\text{Adjusted Initial CO Cost}) \times (\text{Final Access Line Factor}) \\
+ \text{CABS Study Area Factor} \\
= [(a_1 + e) \times \text{Min} + b \times E] \times [(u + v \times L) \times I + (1 - I)] + c$$

where u and v are constrained by the relation: $u = 1 - 15,000v$

NECA calculated coefficients u and v such that:

$$\sum (\text{Central Office Formula Prior to Folding in CABS} + \text{CABS Cost Formula}) \\
= \sum (\text{Central Office Formula After Folding in CABS}),$$

where the summation is over the average schedule study areas in the Traffic Sensitive Pool with normal volume minutes only. Data for these study areas, together with study areas with high volume minutes, and areas not in the Traffic Sensitive Pool, are shown in Appendix E.

Solving this equation for the Final Access Line Factor Coefficients yielded the following values: $u = 2.161501$ and $v = -0.000077433$

Coefficients of the Preliminary CO formula and Final CO formula are given in Exhibit 7.10.

EXHIBIT 7.10

CENTRAL OFFICE FORMULA COEFFICIENTS

	Preliminary (Before Combining <u>CABS</u>)	Final (After Combining <u>CABS</u>)
Per Access Minute	0.018838	0.019913
Per Exchange	286.50	286.50
Access Line Factor Intercept	2.22221	2.161501
Access Line Factor Per-Line Coefficient	-0.000081481	-0.000077433
Per Study Area	0.0	4,156.8

The CO formula derived above provides an unbiased method of calculating settlements for the total population of average schedule study areas with normal traffic volumes. The resulting central office formula is shown in Section VIII.

F. Intertoll Dial Switching Formula

This formula compensates average schedule companies for the cost of tandem switching of interstate access calls. The cost of tandem switching depends primarily on the capacity required to handle interstate usage. The current and the proposed formulas have the same structures, and use the count of Intertoll Dial (ITD) circuits¹⁵ as a measure of tandem capacity. Costs used in this formula were the ITD

¹⁵ Total circuits on the incoming network side of the tandem are prorated among offices subtending the tandem. Only circuits prorated to stand-alone, subtending end offices are eligible for Intertoll settlements. Usage of circuits prorated to other offices is categorized as local switching and, consequently, is included in compensation determined by the Central Office formula.

transport monthly revenue requirements developed in Section VI.D and VI.F. The intertoll circuit counts used in this formula were monthly intertoll circuits projected to the test period as described in Section V.G.

The proposed formula was derived as follows:

$$\begin{aligned} & \text{Cost per Prorated Intertoll Trunk} \\ &= \frac{\sum (\text{Sample Weight} \times \text{Intertoll Switching Cost} \times \text{Outlier Weight})}{\sum (\text{Sample Weight} \times \text{Intertoll Circuits} \times \text{Outlier Weight})} \end{aligned}$$

Outlier Weights were derived using the ratio outlier method described in Section IV.C.2. The resulting formula is displayed in Section VIII.

G. Line Haul Distance Sensitive Formula

ECs provide Cable & Wire Facilities that transport interstate calls from the EC's Central Office to the interexchange carrier's point of connection. The Line Haul Distance Sensitive formula is designed to compensate average schedule companies for the use of these facilities.

Interstate costs of providing this function depend on the length of routes, the circuit count of cable facilities on the routes, and relative interstate usage of the routes.

Current and proposed formulas follow the same structure by which settlements are paid per normal circuit mile, per long route circuit mile, and per access minute. The access minute variable reflects capacity required on the routes and relative interstate usage. Access minutes, normal route circuit miles, and long route circuit miles were projected to the test period as described in Section V.C and V.E. Line Haul Distance Sensitive Revenue Requirement was developed as described in Section

VI.D and VI.F.

The Interstate Circuit Mile variable combines route miles, circuit counts and relative interstate usage into a single measure of cost. NECA divides the circuit mile variable into normal route circuit miles and long route circuit miles using the threshold of 100 circuit miles per circuit, as described in Section V.E. This calculation reflects the proportionately lower cost incurred by average schedule companies with long, low cost, routes. By sharing capacity on networks with very high capacity, these companies achieve significant cost economies, resulting in costs well below average.

Study areas were divided into two groups: those with only normal route circuit miles, and those with both normal route and long route circuit miles.

The Line Haul Distance Sensitive settlement formula depends on four parameters:

- Coefficients of access minutes (b) and of normal route circuit miles (a_1), derived by regression;
- A long route threshold (K) derived by network analysis;
- A coefficient of long route circuit miles (a_2) calculated using coefficient a_1 and the Long Route Relative Cost Ratio.

To quantify the cost differential between normal and long routes, NECA developed the Long Route Relative Cost Ratio using the following three steps.

First, data from sample study areas with only normal route circuit miles were used in a linear regression model to determine a preliminary cost per normal route circuit mile. The dependent variable in the regression model was Distance Sensitive Revenue Requirement per Interstate Circuit Mile. The independent variable was Access Minutes per Interstate Circuit Mile. Outliers were

accommodated as described in Section IV.C. The following model was derived:

$$\text{Distance Sensitive Revenue Requirement Per Circuit Mile} = \\ 0.51293 + (0.00254 \times \text{Access Minutes per Interstate Circuit Mile})$$

The regression model had an *R-Square* statistic of 0.5505, and *F-statistic* value of 144.31. The *t-statistics* for the intercept and the coefficient of Access Minutes per Interstate Circuit Mile were 3.57 and 12.01, respectively. The intercept coefficient of 0.51293 represents the incremental cost per normal route circuit mile.

Second, NECA obtained cost data from the network companies who provide transport facilities to average schedule companies utilizing large regional fiber rings to determine the line haul cost of circuits provided over long route facilities. Lease data included the monthly amount paid by the average schedule company to the network provider, the number of circuits provided under contract, and route mile information. Circuit miles were calculated as the number of circuits acquired under contract, multiplied by the route miles associated with the routing of those circuits.

The monthly cost per circuit mile for these facilities was the monthly amount paid to the fiber ring provider divided by the total number of circuit miles. Monthly cost and circuit mile data for average schedule study areas that use long route facilities are displayed in Appendix I. The overall line haul average lease cost per circuit mile for long route facilities was developed as follows:

$$\begin{aligned}
 \text{Average Cost per Long Route Circuit Mile} &= \frac{\sum (\text{Study Area Monthly Cost for Long Route Facilities})}{\sum (\text{Study Area Circuit Miles for Long Route Facilities})} \\
 &= \frac{\$248,519}{6,449,925} = \$0.03853
 \end{aligned}$$

Next, the Long Route Relative Cost Ratio (LRRCR) of 0.075117 was developed by dividing the long route cost of 0.03853 by the preliminary normal route cost of 0.51293. The LRRCR was used to create an Equivalent Circuit Mile variable, representing the composite of both normal route and long route circuit miles.

$$\text{Equivalent Circuit Miles} = \text{Normal Route Circuit Miles} + (\text{LRRCR} \times \text{Long Route Circuit Miles})$$

The Equivalent Circuit Miles variable was used in a linear regression model developed using data from all sample study areas. The dependent variable in the regression model was Distance Sensitive Revenue Requirement per Interstate Circuit Mile. The independent variables of the model were access minutes per interstate circuit mile and Equivalent Circuit Miles per interstate circuit mile. Outliers were accommodated as described in Section IV.C. The following model was derived:

$$\begin{aligned}
 \text{Distance Sensitive Revenue Requirement Per Circuit Mile} &= \\
 & (0.51658 \times \text{Equivalent Circuit Miles per Interstate Circuit Mile}) \\
 & + (0.00236 \times \text{Access Minutes per Interstate Circuit Mile})
 \end{aligned}$$

The regression model had an *R-Square* statistic of 0.0298 and *F-statistic* value of 277.52. The *t-statistics* for Access Minutes per Interstate Circuit Mile and the coefficient of Equivalent Circuit Miles per Interstate Circuit Mile were 14.39 and 5.09, respectively.

Finally, a settlement rate for long route circuit miles was developed by multiplying the settlement rate for normal route circuit miles by the LRRCR.

$$\begin{aligned}
 \text{Long Route Circuit Mile Rate} &= \text{Normal Route Circuit Mile Rate} \times \text{LRRCR} \\
 &= 0.51658 \times 0.075117 \\
 &= 0.038804
 \end{aligned}$$

The resulting combined distance sensitive formula is displayed in Section VIII.

H. Line Haul Non-Distance Sensitive Formula

This formula compensates companies for interstate transport costs incurred to terminate switched access interexchange trunk facilities on end office switches and on tandem switches. These costs depend on the number of circuits provided and on the type of termination equipment used. The proposed formula has a structure identical to the current formula structure, which was first adopted in July 1997, and pays an amount per interstate switched circuit termination that depends on the study area ratio of circuit terminations per exchange. NECA proposes to continue this structure.

NECA analyzed Line Haul Non-Distance Sensitive revenue requirement per termination. Costs used in the proposed formula were the Non-Distance Sensitive (NDS) Transport monthly revenue requirements developed in Section VI.D and VI.F. Switched interstate circuit terminations were projected to the test period as described in Section V.F.

In prior years NECA filed a Non-Distance Sensitive Line Haul model that included a terminations-per-exchange breakpoint. There continues to be a significant difference between average relative revenue requirement per termination for study areas with terminations per exchange greater than the breakpoint as compared to those with terminations per exchange less than the breakpoint. For this reason, NECA continues to propose a Non-Distance Sensitive Line Haul model that includes a terminations-per-exchange breakpoint.

NECA determined the best-fitting breakpoint through regression analysis. The best-fitting breakpoint occurred at 161 terminations per exchange. The breakpoint of 161 terminations per exchange also ensured settlements produced by this formula increase monotonically as circuit terminations increase.

A regression model of revenue requirement per termination was fit to the terminations per exchange data. This method computed a two-part formula: part one, a sloping line for relatively low terminations per exchange, and part two, a horizontal line for higher terminations per exchange. The parameters of the model were the intercept and slope of the line for study areas with terminations per exchange less than 161, and the intercept of the line for study areas with terminations per exchange greater than 161. The latter parameter was derived by the constraint that the two lines meet at 161 terminations per exchange. The resulting formula, shown in Section VIII, had an *R-Square* statistic of 0.1756, *F-statistic* of 273.10, a *t-statistic* of 21.6 and 8.92 for the intercept of the first segment and for the coefficient of the second segment, respectively.

I. Special Access Formula

The Special Access formula compensates average schedule companies for the cost of providing dedicated Special Access facilities, including local channel electronics and mileage, service ordering costs and optional features and functions. As NECA's special access tariff includes a cost-based charge for each of the elements, revenues billed according to the tariff are a good measure of special access costs of each company.

As in prior years, the proposed special access formula calculates a revenue retention ratio for each study area, based on its level of special access revenues per exchange. Consequently, NECA

develops the settlement formula by relating costs of sample companies to their special access revenues per exchange. For a number of years this settlement formula has consisted of an average revenue retention ratio and a revenue size factor reflecting the correlation between revenue size and costs. The proposed formula continues to use the same variable to produce an accurate settlement rate, but with a different structure to better target settlements to individual study areas.

Also, as in prior years, the proposed formula includes a Tariff Rate Index component, which keeps average schedule settlements at the proposed level, should NECA file changes to its special access tariff rates after the filing of this formula.

Over the past several years, the demand for special access services has grown very quickly, introducing new and growing cost economies of scale, and shifting the pattern by which costs and revenues are related. The proposed formula improves the match of settlement payments to companies' costs. Under the new formula, companies with low volumes of special access services, who are not able to achieve the new levels of cost economy, have settlements better matched to these companies' cost. Likewise, settlement payments better match companies costs with high volumes of special access services, who have achieved cost efficiencies notably better than is reflected in the current formula.

The proposed formula achieves this improved match of settlements to costs by including three segments, rather than the two straight line segments that make up the current formula. In addition, by making one of these segments a reciprocal curve form, the formula better fits the costs of companies with higher volumes of special access services.

1. Development of the Retention Ratio Formula

By testing combinations of lines and curves joined together, NECA found that the data of sample companies could best be fit to a combination of three components: two connected straight lines are used for study areas with fewer than \$500 per month in special access revenues per exchange, and a reciprocal curved line for study areas with higher revenues per exchange.

The continued use of the current two-line model could not be made to simultaneously fit the relatively higher costs of the companies with low revenues per exchange, while also reflecting the relatively lower costs of the companies with higher revenues per exchange. To address this limitation, NECA added a third, reciprocal-curve component, which allows the formula to fit all groups of companies while assuring that a study area's settlements will always increase if its revenues increase.

One limitation of the current formula is a built in constraint that recognizes that the formula is designed to pay settlements which increase at a declining rate as special access billed revenues increase, reflecting the corresponding cost efficiency gains. To achieve settlements that increase monotonically with revenues, however, it was necessary to constrain the current formula so that the retention ratio does not decrease too rapidly. Without a constraint, once a carrier's revenues grew past a certain point, settlements would decline. Such a settlement outcome would be simply illogical.

Following are the methods used to develop this formula. Two formula breakpoints were chosen, BP₁ being the intersection of the two straight lines, and BP₂ being the intersection of

the second straight line and the curved line. For each sample study area (designated by i), the following variables are constructed.

RPE_i = study area i special access revenues per exchange

$\delta_{1i} = 1$ if $RPE_i \leq BP_1$; $\delta_{1i} = 0$ otherwise.

$\delta_{2i} = 1$ if $BP_1 < RPE_i \leq BP_2$; $\delta_{2i} = 0$ otherwise.

$\delta_{3i} = 1$ if $BP_2 < RPE_i$; $\delta_{3i} = 0$ otherwise.

RRQ_i = Monthly Special Revenue Requirement for study area i

$RR_i = RRQ_i / \text{Study Area } i \text{ special access revenues}$

Then the settlement formula is expressed as

$$RR_i = \delta_{1i} \times (a_1 + b_1 \times RPE_i) + \delta_{2i} \times (a_2 + b_2 \times RPE_i) + \delta_{3i} \times (a_3 + b_3 / RPE_i)$$

With constraints

$$a_1 + b_1 \times BP_1 = a_2 + b_2 \times BP_1$$

$$a_2 + b_2 \times BP_2 = a_3 + b_3 / BP_2$$

In addition, NECA assured that straight line components of the formula would not be so steep as to cause any increase in revenues to produce a decrease in settlements. Using Calculus to solve for such limits on coefficients produced the following constraints, also used in the regression.

$$a_1 + 2 \times b_1 \times BP_1 = 0_1$$

$$a_2 + 2 \times b_2 \times BP_2 = 0_2$$

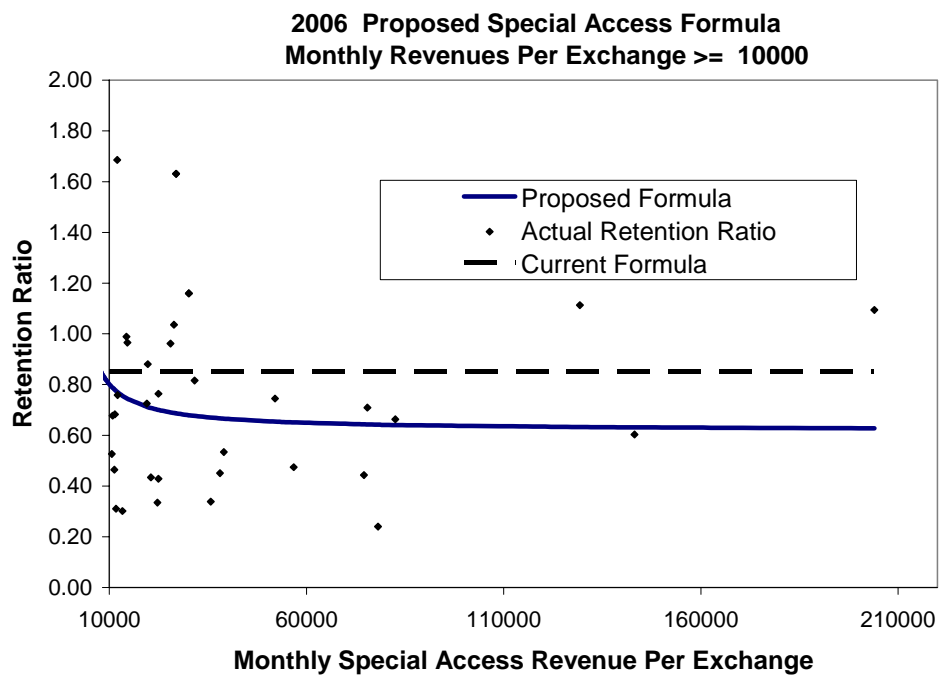
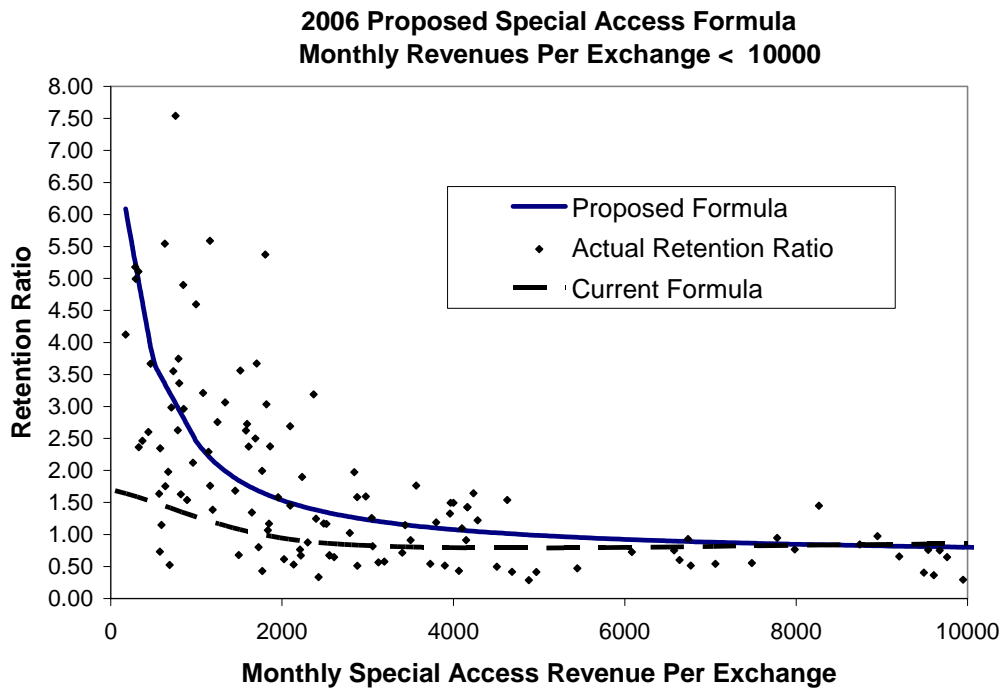
NECA estimated the settlement formula using constrained linear regression methods and NECA's standard regression outlier weighting method. Resulting coefficients are shown in Section VIII. The success of this model as an improvement over the current formula can be seen in its comparably high *R-Square* statistic of .5117, the fact all of the *t-statistics* are

significant (18.6, 18.6, 18.6, 18.6, 7.67 and 11.63 for a_1 , b_1 , a_2 , b_2 , a_3 , and b_3 respectively) and by examining the display in Exhibit 7.11.

As shown in the exhibit, the model can achieve a retention ratio as high as 7.2 for study areas with very low revenues per exchange reflecting the underlying cost data. In contrast, the current formula structure cannot have a retention ratio higher than 2.0. Also, the proposed formula's lowest retention ratio is about .70, fitting well the data of the study areas with higher revenues per exchange. The current formula provides a retention ratio of 0.85 to these study areas, clearly higher than the costs of almost all of these sample members.

To assure that the successful fit of this formula was not a mere accident of sample data variation this year, NECA tested the new model structure on data from previous studies, and found that the model captured an increasingly strong trend over the years as special access services like DSL grew rapidly.

EXHIBIT 7.11
Proposed Special Access Formula and Data



2. Development of the Tariff Rate Index

Finally, the proposed special access formula continues to employ a Tariff Rate Index to reflect current tariff rates.

$$\text{Tariff Rate Index} = \frac{I}{1 + \text{Special Access Relative Tariff Rate Change Since 12/2005}}$$

Exhibit 7.12 displays NECA's method for calculating the Tariff Rate Index.¹⁶ Each time NECA files new Special Access tariff rates, it will use data from that filing to calculate a new Tariff Rate Index according to the method displayed in Exhibit 7.12.

The proposed formula is displayed in Section VIII.

EXHIBIT 7.12

SPECIAL ACCESS TARIFF RATE INDEX CALCULATION METHOD¹⁷

A.	Illustrative Traffic Sensitive Pool Test Period Special Access Revenues at December 31, 2005 Rates	\$200.0 M
B.	Illustrative Traffic Sensitive Pool Test Period Special Access Revenues Proposed in the NECA Tariff Filing	\$206.7M
C.	Illustrative Average Schedule Company, Special Access Tariff Rate Index Effective July 1, 2005 [Line A/ Line B]	0.968

¹⁶ The Tariff Rate Index reflects all Special Access tariff rates offered in NECA's Access Service Tariff, F.C.C. Tariff No. 5 for the period. See National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 1030, filed June 16, 2005 (2005 Annual Access Tariff Filing). This includes rates for recurring charges, nonrecurring charges and optional features and functions.

¹⁷ NECA will recalculate the Tariff Rate Index using data from its tariff filing coincident with the effective date of any special access tariff rate change.

J. Signaling System 7 (SS7) Formulas

The Common Channel Signaling (CCS) network is a packet switched network that allows call control signals and database queries to be transported on dedicated lines separate from the voice network. The Signaling System 7 (SS7) protocol is a set of rules that governs the transmission of signaling information over the CCS network. The network includes nodes named Service Switching Points (SSPs), Consolidation Points (CPs), and Signal Transfer Points (STPs).

The SS7 formula compensates companies for their costs based on counts of SSPs in service. One settlement rate applies for each SSP connected to the nationwide signaling network, and another rate applies for each SSP not yet connected to the nationwide signaling network. The proposed settlement formula has three components:

Monthly investment cost:	The interstate return and loadings associated with the company's capital investment in SSPs and CPs.
Monthly CP data link cost:	the interstate portion of the cost of SS7 signaling links between the SSP and the CP.
Monthly A-link cost:	The interstate portion of charges for SS7 signal transport and access to STPs in the nationwide SS7 network.

Development of these components is described in the following three sections. The formula calculation incorporating these components is described in Section VII.J.4. Supporting data are displayed in Appendix G.

1. Development of Monthly Investment Costs

This section uses investment data described in Section III.H. Depreciation expense and reserves were determined using the normal eight-year depreciation life for digital switching equipment. NECA developed the average depreciation reserve ratio as follows.

$$\begin{aligned} \text{Depreciation Reserve Ratio} &= \frac{\text{Total Accumulated Depreciation}}{\text{Total Capital Investment}} \\ &= 0.59955. \end{aligned}$$

Each study area's SS7 equipment accumulated depreciation is the product of its initial investment and the Depreciation Reserve Ratio.

The Monthly Investment Cost (displayed as Column D in Appendix G) is the product of the study area's capital investment cost and the SS7 investment charge factor. The SS7 investment charge factor is calculated in Exhibit 7.13. The monthly Investment Cost was summed for all companies and divided by the number of SSPs to calculate the average SSP cost.

EXHIBIT 7.13		
Development of Monthly Investment Charge Factor		
A	Illustrative SS7 Capital Investment	\$100,000
B	Average Interstate Investment (Line A x 0.5355)	\$53,550
C	Average Interstate Depreciation Reserve (Line B x 0.59955)	\$32,106
D	Average Net Interstate Investment (Line B – Line C)	\$21,444
E	Return On Average Net Interstate Investment (Line D x 0.1125)	\$2,412
F	State & Local Income Tax @ 7.8% (Line E x 0.084599)	\$204
G	Federal Income Tax @ 32.77% [(Line E – Line F) x 0.487373]	\$1,076
H	Interstate Depreciation Expense (Line B/8)	\$6,694
I	Interstate Maintenance Expense (Line B x 0.080211)	\$4,295
J	Interstate Corporate Operations Expense (Line B x 0.062637)	\$3,354
K	Total Annual Interstate Cost (Lines E + F + G + H + I + J)	\$18,036
L	Total Monthly Interstate Cost (Line K/12)	\$1,503
M	Monthly Investment Charge Factor (Line L/Line A)	0.015030

$$\begin{aligned}
 \text{Average Monthly Investment Cost per SSP} &= \frac{\sum_{\text{All SSPs}} \text{Monthly Investment Cost}}{\text{Total Number of SSPs}} \\
 &= \frac{\$436,147.4}{628} \\
 &= \$694.502
 \end{aligned}$$

2. Development of Monthly A-Link Costs

Carriers deploy A-Links by connecting digital data links from their SSPs to meet points with A-Link providers. These carriers pay the A-Link providers for their facilities based on monthly charges which generally apply to terminations at the meet point and STP, mileage connecting the two, a port charge at the STP, and sometimes a monthly maintenance charge.

For each A-link provider, NECA collected the following data: miles of data links to the A-Link meet point, number of termination charges, port charges, and maintenance charges. In addition, NECA collected data for each carrier's internal costs of A-link connections, including length of data link between SSPs and CPs, and number of link terminations.

Exhibit 7.14 reflects the costs of connecting to each provider. Using V&H coordinates of average schedule SSPs and the STPs they connect to, NECA estimates that the average length of links between SSPs and STPs is 86.08 miles. To meet providers L and N, carriers deploy data links all the way to the provider's STP. To meet provider I, carriers deploy data links for an average of 56.6 miles. All other carriers normally deploy data links to the same meet point as is used for toll circuits. Using its Average Schedule Line Haul Database, NECA estimated the average distance from the SSP to the meet point to be 47.39 miles, based on average route miles of line haul routes carrying toll traffic.

Consequently, the average length of links from the meet point to the STP is 38.69 miles, the difference between the total distance of 86.08 miles and the meet point distance of

47.39 miles.

Carriers generally pay the provider for two termination charges on each A-link.

Providers L and N charge for two termination charges at each end of each A-Link.

Carriers incur only a port charge to connect to providers K and P.

EXHIBIT 7.14

Development Of SS7 Monthly Interstate A-Link Rates (Per Pair)

Provider	A Meet Point To STP Fixed Charge	B Meet Point to STP Per Mile Charge	C Termination Rate at Meet Point (Per Link)	D Port Cost Per Pair	E Monthly A-Link Rate (Per Pair)	F Monthly Interstate A-Link Cost (E x 0.5355)
A	\$0.00	\$3.50	\$0.00	\$1,800.00	\$2,479.83	\$1,327.95
B	\$0.00	\$0.00	\$155.00	\$674.10	\$1,393.10	\$746.00
C	\$0.00	\$1.11	\$14.27	\$760.00	\$1,283.43	\$687.28
D	\$25.60	\$0.26	\$0.00	\$930.00	\$1,410.32	\$755.22
E	\$30.25	\$0.99	\$86.00	\$828.20	\$1,546.30	\$828.05
F	\$33.00	\$0.15	\$50.00	\$858.10	\$1,444.70	\$773.64
G	\$25.20	\$0.90	\$64.40	\$748.00	\$1,405.84	\$752.83
H	\$100.13	\$0.91	\$0.00	\$1,000.00	\$1,679.67	\$899.46
I	N/A	N/A	N/A	\$1,200.00	\$1,674.57	\$896.73
J	\$66.44	\$2.50	\$0.00	\$859.94	\$1,595.27	\$854.27
K	N/A	N/A	N/A	\$2,000.00	\$2,000.00	\$1,071.00
L	N/A	N/A	N/A	\$800.00	\$1,556.05	\$833.26
M	\$93.72	\$1.82	\$0.00	\$1,598.00	\$2,335.27	\$1,250.54
N	N/A	N/A	N/A	\$2,020.00	\$2,776.05	\$1,486.57
O	N/A	N/A	N/A	\$750.00	\$1,159.00	\$620.64
P	N/A	N/A	N/A	\$1,373.08	\$1,373.08	\$735.28
Q	\$0.00	\$2.17	\$140.47	\$1,440.00	\$2,297.85	\$1,230.50
R	\$96.00	\$0.60	\$0.00	\$1,629.00	\$2,276.42	\$1,219.03
S	\$30.12	\$1.98	\$71.48	\$900.00	\$1,665.41	\$891.83
T	\$123.69	\$2.80	\$0.00	\$450.00	\$1,323.04	\$708.49

Using this data for all average schedule SSPs that are fully connected to the signaling network, NECA calculated the average monthly A-Link cost per SSP as follows.

$$\begin{aligned}
 \text{Average Monthly A-Link Cost per SSP} &= \frac{\sum_{\text{All Fully Connected SSPs}} \text{Monthly A-Link Cost}}{\text{Total Number of Fully Connected SSPs}} \\
 &= \frac{343,995.21}{621} \\
 &= \$553.94
 \end{aligned}$$

3. Development of Monthly CP Data Link Costs

Consolidation points are used to connect a group of SSPs to a single pair of A-Links. A consolidation point is connected to an SSP by CP data links. The monthly average cost per CP data link is developed in Exhibit 7.15. This calculation uses NECA's Tariff rates for digital data channel miles and terminations. Average length of haul of 37.8 miles was calculated using the vertical and horizontal coordinates of average schedule SSP and CP locations. Resulting CP Data Link Costs are shown in Column I of Appendix G (SS7 Costs with Full Connectivity).

EXHIBIT 7.15		
Development of Monthly CP Data Link Cost		
A.	37.80 Miles x \$3.56 Per 56 Kbps CMF	\$134.57
B.	2 Terminations x \$35.79 Per 56 Kbps CMT	\$71.58
C.	Total (Line A + Line B)	\$206.15
D.	Average COE Factor (see Exhibit 4.8)	0.5355
E.	Monthly Average Cost Per CP Data Link (Line C x Line D)	\$110.39
F.	Number of CP Data Links	447
G.	Total CP Data Link Cost (Line E x Line F)	\$49,345.34
H.	Number of Fully Connected SSPs	621
I.	CP Data Link Cost per SSP (Line G / Line H)	\$79.46

4. Settlement Formula Calculation

While the proposed fully connected settlement rate includes all three SS7 cost components, the partially connected rate includes only the investment cost component, because these SSPs do not have A-Link connections, and because none in this year's study have CP data links.

Fully Connected Settlement Rate = Investment Cost + A-Link Cost + CP Data Link Cost

$$= 695 + 554 + 79$$

$$= 1,328$$

Partially Connected Settlement Rate = Investment Cost

$$= 695$$

K. Rate of Return Factor Formulas

Rate of Return Factor formulas are used by NECA each month to adjust settlements to average schedule companies to conform to the rates of return achieved by the NECA pools. Without these adjustments, average schedule settlements would correspond to the authorized rate of return, currently 11.25%. The Rate of Return Factor measures the relative effect on revenue requirement caused by changes in the pool's achieved rate of return. Current and proposed formulas have identical structures.

These formulas, therefore, derive their structure from the revenue requirement calculation method, which has an expense component that is not sensitive to rate of return, and Return and Federal Income Tax Components that are sensitive to rate of return. The intercepts of the formulas correspond to the expense component, while the slopes correspond to the Return and Federal Income

Tax components.

The development of the Rate of Return Factor adjustment formulas involved three steps. First, total sample revenue requirements were computed corresponding to each of several test rates of return. In each case, the methods described in Section VI.F were used to calculate revenue requirements. Second, a revenue requirement ratio was computed corresponding to each of these rates of return. Third, a regression model was developed relating the revenue requirement ratio to the rate of return. The revenue requirement ratio equals the quotient of revenue requirement at a test rate of return divided by the revenue requirement at the authorized rate of return.

The final step in the derivation of these formulas computed straight line regression models relating the revenue requirement ratios to the test rates of return. The revenue requirement models were constrained to equal 1.0 at the Rate of Return coordinate of 0.1125. The following models fit the data perfectly with an *R-Square* statistic of 1:

$$\text{Common Line Factor} = 0.748034 + 2.239698 \times \text{ROR}$$

$$\text{Traffic Sensitive Factor} = 0.794887 + 1.823227 \times \text{ROR}$$

Exhibit 7.16 displays the ratios underlying the regression models. The data in the exhibit are interpreted as follows: if the Common Line Pool achieves a rate of return of 10.5 percent, then the revenues will be 98.32 percent of the revenue requirement at the authorized rate of 11.25 percent. Similarly, an achieved rate of 12.5 percent corresponds to revenues that are 102.8 percent of the revenue requirement at 11.25 percent.

EXHIBIT 7.16
REVENUE REQUIREMENT RATIOS UNDERLYING ROR FORMULAS

Test Rate Of Return	Common Line Ratio	Traffic Sensitive Ratio
0.0700	0.9050	0.9229
0.0725	0.9106	0.9274
0.0750	0.9161	0.9319
0.0775	0.9217	0.9364
0.0800	0.9273	0.9409
0.0825	0.9329	0.9454
0.0850	0.9385	0.9500
0.0875	0.9440	0.9545
0.0900	0.9496	0.9590
0.0925	0.9552	0.9636
0.0950	0.9608	0.9681
0.0975	0.9664	0.9727
0.1000	0.9720	0.9772
0.1025	0.9776	0.9818
0.1050	0.9832	0.9863
0.1075	0.9888	0.9909
0.1100	0.9944	0.9954
0.1125	1.0000	1.0000
0.1150	1.0056	1.0046
0.1175	1.0112	1.0091
0.1200	1.0168	1.0137
0.1225	1.0224	1.0183
0.1250	1.0280	1.0228
0.1275	1.0336	1.0274
0.1300	1.0392	1.0320
0.1325	1.0448	1.0366
0.1350	1.0504	1.0411
0.1375	1.0560	1.0457
0.1400	1.0616	1.0503
0.1425	1.0673	1.0549
0.1450	1.0729	1.0594
0.1475	1.0785	1.0640
0.1500	1.0841	1.0686

L. Equal Access Settlements

Many average schedule companies incur costs for the provision of equal access to competing interexchange carriers. Part 36 rules include special methods of separating these costs to jurisdictions. These methods apply only in cases that meet the Part 36 prerequisites for equal access. Correspondingly, NECA provides an average schedule settlement formula that targets locations with equal access. The current and proposed formulas have identical structures. Equal access costs include initial expenses for customer presubscription balloting, education, some software expenses, and capitalized hardware and software costs.

Equal access costs are separated according to Part 36 rules on the basis of relative state and interstate equal access traffic. Settlements for interstate equal access costs are currently recovered by average schedule companies in two portions. The interstate portion of initial incremental equal access expenses are reported to the pool and recovered in the period incurred. The interstate portion of initial incremental investment is recovered using a monthly carrying charge factor of 0.0247, applied over an eight-year period.

Exhibit 7.17 displays the development of the monthly carrying charge factor (0.0247).

EXHIBIT 7.17

CALCULATION OF THE EQUAL ACCESS INVESTMENT
MONTHLY CARRYING CHARGE FACTOR

A.	Illustrative Interstate Equal Access Investment	\$10,000
B.	Average Interstate Depreciation Reserve Over First Year (8 yr.) [(Line A / 8) / 2]	\$625
C.	Average Net Interstate Investment (Line A - Line B)	\$9,375
D.	Interstate Authorized Rate of Return	11.25%
E.	Return on Average Net Interstate Investment (Line C x Line D)	\$1,055
F.	Federal Income Tax @ 35% (Line E x 0.538462)	\$568
G.	State Income Tax @ 7.8% (Line E x 0.084599)	\$89
H.	Interstate Depreciation Expense (8 yr.) (Line A / 8)	\$1,250
I.	Total Interstate Return, Taxes and Depreciation (Lines E + F + G + H)	\$2,962
J.	Monthly Interstate Return, Taxes and Depreciation (Line I / 12)	\$247
K.	Monthly Interstate Carrying Charge Factor (Line J / Line A)	0.0247
M.	<u>Development of MAG Shift Factors</u>	

NECA further adjusted the formulas described in Sections VII.B through VII.L to account for allocation rules described in the MAG Order. NECA made adjustments to account for two changes: (1) Reallocation of Switching Line Port costs from the Central Office to the Common Line access category; and (2) Reallocation of Transport Interconnection Charge costs from Transport to Common Line.

NECA developed “shift factors” to move amounts from one access category to another. The description of the development and use of each shift factor is described in the following sections.

1. Switching Line Ports

The MAG Order specifies that costs associated with Switching Line Ports be allocated to Common Line rather than to CO.¹⁸ The MAG Order allows companies to use 30% as the amount of Local Switching revenue requirements, excluding local switching support amounts, to be reallocated.

a. Development of Line Port Shift Factor

Using the population of average schedule study areas, NECA used total central office settlements from the 2005 Annual Access Tariff Filing. The line port component of settlements was calculated according to Commission rules as 30% of the difference between CO settlements and local switching support amounts. The Line Port Shift Factor was calculated as the line port component of settlements, divided by total central office settlements.

$$\begin{aligned} \text{Line Port Shift Factor} &= \frac{\text{Line Port Component}}{\text{Total Central Office Settlements}} \\ &= \frac{\$28,259,721}{\$173,578,280} \\ &= 0.162807 \end{aligned}$$

¹⁸ MAG Order at ¶ 90.

b. Application of Line Port Shift Factor

Each month, NECA will calculate the line port component of settlements for each average schedule study area by multiplying the Line Port Shift Factor by each study area's total central office settlements. This study area line port component will now be recovered through the common line pool. While this change did not impact Common Line Access Line or CO formula coefficients displayed in Section VIII of this Filing, Section VIII includes a Common Line Line Port Formula based on the central office formula. Similarly, Section VIII also includes a residual Traffic Sensitive Central Office Formula.

To calculate the settlement effects of proposed formulas (See Section VII.N), current Common Line Line Port settlements were calculated using the current Line Port Shift Factor of 0.175764, as documented in the 2004 Filing. Proposed Common Line Line Port settlements were calculated using the proposed factor of 0.162807. The Common Line Line Port settlement is included in the total common line settlement and the Traffic Sensitive CO settlement is included in the total traffic sensitive settlement for the development of Appendix E and exhibits 7.18, 7.19 and 7.20. For the average schedule population, this reallocation assigned \$2,673,459 of the proposed central office settlement to the common line pool.

2. Transport Interconnection Charge

As prescribed by the MAG Order, the Transport Interconnection Charge (TIC) was eliminated and the costs that were recovered through this rate element were reapportioned to

all the other access elements.¹⁹ For average schedule tariff revenue requirements parts of the transport settlement formulas are shifted to other access categories. For monthly settlements, the shift from the transport category to the common line category is determined by the Common Line TIC shift factor because this represents a shift from one pool to the other.

a. Development of Common Line TIC Shift Factors

From the 2005 Annual Access Tariff Filing, NECA used TIC revenues and total Transport settlements for each study area. Total Transport settlements include settlements produced by the Line Haul Distance Sensitive, Line Haul Non-Distance Sensitive, and Intertoll Switching formulas.

NECA allocated TIC revenues to the Common Line access category in proportion to the fraction of total settlements derived from Common Line. For this purpose, Common Line settlements excluded Universal Service Contribution (USC) amounts, and traffic sensitive settlements excluded local switching support and TIC revenues. The fraction of total settlements derived from the Common Line formula was multiplied by TIC revenues to produce Common Line TIC revenues. Finally, the sum of Common Line TIC revenues was divided by the sum of total Transport settlements for the population to produce the Common Line (CL) TIC Shift Factor.

¹⁹ MAG Order at ¶ 98.

$$CL\ TIC\ Revenues = \frac{(CL\ Settlements\ Excluding\ USC) \times TIC\ Revenues}{Total\ Settlements\ (Excluding\ LSS\ and\ TIC\ Revenues)}$$

$$CL\ TIC\ Shift\ Factor = \frac{\Sigma CL\ TIC\ Revenues}{\Sigma Transport\ Settlements}$$

$$= \frac{\$23,940,094}{\$98,592,901}$$

$$= 0.242818$$

b. Application of TIC Shift Factors

Each month, NECA will calculate the amount of transport settlements to be allocated to Common Line using the CL TIC Shift Factor. For each study area, the total transport settlement will be multiplied by the CL TIC Shift Factor to produce the amount to now be recovered from the Common Line Pool. While this change does not impact Common Line or Transport formula coefficients displayed in Section VIII of this Filing, Section VIII includes a Common Line Transport Formula based on the transport formulas. Similarly, Section VIII also includes a residual Traffic Sensitive Transport Formula.

To calculate the settlement effects of proposed formulas (See Section VII.N below), current Common Line Transport settlements were calculated using the current CL TIC Shift Factor of 0.310588, as documented in the 2004 Filing. Proposed Common Line Transport settlements were calculated using the proposed factor of 0.242818. In developing Appendix E and exhibits 7.18, 7.19 and 7.20, the Common Line Transport settlement is included in the total common line settlement, and the Traffic Sensitive Transport settlement is included in the total Traffic Sensitive settlement. For the average schedule population, this reallocation assigned \$1,901,475 of

proposed transport settlements to the common line pool.²⁰

N. Impact of Proposed Formulas

This section analyzes settlement effects of the proposed formulas that carriers can expect to realize on the day of implementation. These effects take into account settlements based on formulas presented in sections VII.B through VII.L, along with the shift factors described in section VII.M.

Beginning July 2006, carriers can expect, on average, an overall settlement decrease of 1.72 percent as a result of the new formulas. This figure is based on a comparison of settlements to become effective July 1, 2006 and those that became effective July 1, 2005, with demand held constant at the July 2005 level.

Changes in the formula levels result from the effects of cost and demand growth. The proposed formulas are expected to produce settlements during the test period that will match test period revenue requirements.

Impacts of these formula changes on individual average schedule companies will vary, depending on each company's size and demand characteristics. Overall, NECA projects that the majority of companies' settlements will increase by ten percent or less. Ninety- six (96) study areas are expected to see a decrease in their settlement rates. This decrease generally reflects new overall cost levels and decreases due to formula structure changes.

²⁰

From average schedule study areas not in NECA's Traffic Sensitive Pool, NECA used line port and TIC shifts to common line according to the December 2001 view of their tariff data. These amounts are included in their common line settlements in Appendix E.

Exhibit 7.18 summarizes the average change to each formula and the resulting fraction of total settlements from each proposed formula when calculated at constant demand. Exhibit 7.19 summarizes the effects of these changes for average schedule companies by access line grouping.

Exhibit 7.20 summarizes settlements by formula. The values reflect the proposed formula changes and are based on demand levels taken from the October 2005 view of the July 2005 settlement month. Settlement effects for individual study areas are shown in Appendix E.

EXHIBIT 7.18**SUMMARY OF PROPOSED FORMULA AVERAGE CHANGES**

	Proposed Formula Change	Formula Percent of Total
Common Line Basic	-4.5%	40.61%
CL Universal Service Contribution	0.00%	3.19%
Central Office	7.47%	25.20%
CL Central Office		4.56%
TS Central Office		21.10%
Distance Sensitive	-7.13%	7.79%
Non-Distance Sensitive	13.95%	5.50%
Intertoll Switching	0.30%	0.76%
Total Transport		14.37%
CL Transport		3.25%
TS Transport		11.12%
Special Access	-10.24%	14.77%
Signalling System 7	3.97%	1.39%
Equal Access	0.00%	0.02%
Overall CL Average	-4.18%	51.60%
Overall TS Average	0.31%	48.40%
Overall Average	-1.72%	100.00%

EXHIBIT 7.19

SETTLEMENT EFFECTS OF PROPOSED AVERAGE SCHEDULES

Access Line Size Group	Number of Ecs	% Change Common Line	% Change Traffic Sensitive	% Change Total	Per Line Change Total
0 - 500	65	4.31%	5.22%	5.02%	\$3.19
501 - 1000	92	6.11%	4.37%	4.92%	\$2.03
1001 - 2500	154	2.79%	3.14%	3.01%	\$1.06
2501 - 5000	69	1.46%	4.01%	2.95%	\$0.88
5001 - 10000	54	0.88%	6.53%	3.92%	\$1.02
10001 - 20000	23	-7.18%	2.14%	-2.63%	-\$0.59
> 20000	20	-9.75%	-7.15%	-8.47%	-\$1.79
Total	477	-4.18%	0.31%	-1.72%	-\$0.44

EXHIBIT 7.20

SETTLEMENTS BY MAJOR SETTLEMENT ELEMENT

Common Line Basic	\$23,788,987
CL Universal Service	\$1,866,777
Central Office	\$14,762,947

Central Office Line Port Shifts

- CL Central Office	\$2,403,508
- CL Central Office Not In TS Pool	\$269,951
- TS Central Office	\$12,359,439

Distance Sensitive Transport	\$4,564,834
Non-Distance Sensitive Transport	\$3,221,182
Intertoll Dial Transport	\$446,653
Total Transport	\$8,232,670

TIC Reallocation Shifts

- CL Transport	\$1,716,861
- CL Transport Not in TS Pool	\$184,614
- TS Transport	\$6,515,809

Special Access	\$8,655,246
Signaling System 7	\$813,555
Equal Access	\$9,582
Overall CL Total	\$30,230,698
Overall TS Total	\$28,353,631
Overall Total	\$58,584,330

O. Transition Considerations

Because this filing proposes structural changes to the common line and special access settlement formulas (two or the more significant settlement formulas), some companies are expected to experience material settlement reductions. NECA recommends that the Commission consider the need for a transition plan that could mitigate some hardships caused by potentially abrupt revenue losses.²¹ In this section, NECA provides an analysis of these impacts and a method of calculating transitional amounts. Such transitional support could give affected carriers time to absorb the effects of settlement reductions.

In this filing, NECA proposes general updates to most settlement formulas, based on its study of costs, demand, and cost allocation data. In addition, NECA proposes certain changes to the way that settlements are calculated for the common line and special access functions, as a result of NECA's analysis of ways to more accurately target these settlements to groups of study areas. For study areas with the more significant overall negative settlement impacts, the cause is usually these formula structure changes. Given the magnitude of settlement changes due to the restructuring of these formulas, some of the affected companies have raised concerns regarding the impact on their business operations. Examples of such effects, according to some affected companies, are: the delay of broadband service deployment plans, or difficulty meeting a 2008 broadband deployment deadline mandated by one state, restrictions on future business plans if impacts on a company's cash flow causes a lender to modify terms of a loan according to an existing loan covenant, and the possible inability of a carrier to meet existing loan commitments. Providing transitional support could alleviate the impact on the business operations of the affected companies, allowing them to

²¹ The Commission has approved average schedule transition plans in the past, most recently in response to NECA's 1989 Modification of Average Schedules. See (cite 1989 Order). This plan responded to a general revision of settlement formulas to conform the formulas to a series of significant Commission rule changes.

deal with settlement reduction by a measured plan.

A transition plan requires a method to identify the target of transitional support, and a phase-out strategy. Following is a discussion of each.

One way to identify study areas that will experience significant settlement reductions is to compare individual losses to a benchmark. Transitional payments can be considered for some amounts exceeding this benchmark. A reasonable benchmark is the amount of loss due to the formula structure change, as opposed to a loss caused by the general change in formula levels.

The common line formula structure is proposed to change with the introduction of a “CL Adjustment” component in the formula, which applies only to study areas with more than 10,000 access lines and more than five exchanges. The effect of this adjustment is to reduce common line settlements to these study areas by 10.89%. Consequently, a transition calculation could include a “common line transition basis” equal to 10.89% of what would otherwise be paid to these companies if the proposed formula included no CL Adjustment component. For example, if an affected study area would have been paid \$250,000 if there were no CL adjustment, but the proposed payment is only \$222,775 with the CL adjustment, its common line transition basis could equal the difference of \$27,225. This transition basis amount could then be limited so as not to exceed the carrier’s total common line reduction. For example, if as a result of other updates to the formulas, a study area’s total settlement reduction is calculated to be only \$21,000, then \$21,000 could become the carrier’s transition basis amount.

To calculate transition amounts and the related special access formula change, NECA used the November 2005 view of data reported by companies for the months of July through September 2005.

For special access, the negative effect of the restructure is the amount by which the carrier's settlement reduction exceeds the formula average proposed reduction, which is 11.4%. Consequently, this transition calculation includes a 'special access transition basis' equal to the amount of a study area's proposed special access reduction that exceeds 11.4% of current special access settlements. For example, if a study area's proposed special access reduction were 21.4% of a current settlement of \$200,000, its special access transition basis would be 10.0% (21.4% - 11.4%) of \$200,000, or \$20,000.

The total basis of a study area's transitional payments would be the sum of the study area's common line transition basis and its special access transition basis. In the case of the sample company shown above, this would equal \$21,000 plus \$20,000, or \$41,000 in total. This would be limited not to exceed the carrier's total settlement reduction; i.e., gains in other formulas, if any, could offset some losses in these formulas. For example, suppose that the sample company had a total proposed settlement reduction of \$24,000 net of offsetting gains in other formulas. In this case, \$24,000 would be the basis of its transition payments.

These calculations are detailed in Exhibit 7.21. Under a 24 month phase-out approach, the carrier's transition payments would be \$24,000 in the first month, plus \$23,000 in the second month, plus \$22,000 in the third month, etc., for a total of \$204,000 over 24 months. That is, the payment in the first month would equal the carrier's total transition basis. In the second month, 23/24ths of this number would be paid; in the third month, 22/24ths; etc. Should the Commission wish to consider a transition plan of this type, initial transition amounts for each affected study area are shown in Appendix E.

EXHIBIT 7.21 Possible Transition Calculation for Study Areas Affected by Structure Changes							
Common Line			Special Access				
A 'CL Adjustment' Effect	B Proposed CL Reduction	C CL Transition Basis (Lesser of A and B)	D S.A. Transition Basis (Reduction exceeding 11.4%)	E CL + SA Transition Basis (C + D)	F Proposed Total Settlement Change	G Total Transition Basis (Lesser of E and F)	H Monthly Transition Reduction (G / 24)
\$27,225	\$21,000	\$21,000	\$20,000	\$41,000	\$24,000	\$24,000	\$1,000

If this method were to be used, NECA calculates that affected companies would receive \$13.92 million in transition payments in the year beginning July 2006, and an additional \$4.89 million in the following year, based on data reported for the months of July through September 2005.

**VIII. CURRENT AND PROPOSED
AVERAGE SCHEDULE SETTLEMENT
FORMULAS**

A. COMMON LINE FORMULAS

COMMON LINE FORMULA

Current Formula:

Settlement = Common Line Access Lines x Settlement Per Common Line Access Line

If Lines Per Exchange less than 510 then,

Settlement per Line = \$14.294595 - (\$0.001478 x Lines Per Exchange)

If Lines Per Exchange greater than 510 but less than 10,000 then,

Settlement per Line = \$9.951695 + (\$1,830.451433 / Lines Per Exchange)

If Lines Per Exchange greater than 10,000 but less than 15,000 then,

Settlement per Line = \$14.536088 - (\$0.000440 x Lines Per Exchange)

If Lines Per Exchange greater than 15,000 then,

Settlement per Line = 0.7876 x {\$9.951695 + (\$1,830.451433 / Lines Per Exchange)}

Proposed Formula:

*Settlement = Common Line Access Lines x Settlement Per Common Line Access Line
x CL Adjustment*

If Lines Per Exchange less than 2000 then,

Settlement per Line = \$15.229006 - (\$0.002531 x Lines Per Exchange)

If Lines Per Exchange greater than 2000 but less than 10,000 then,

Settlement per Line = \$9.843542 + (\$646.927782 / Lines Per Exchange)

If Lines Per Exchange greater than 10,000, but less than 15,000, then,

Settlement per Line = \$13.767619 - (\$0.000386 x Lines Per Exchange)

If Lines Per Exchange greater than 15,000, then,

Settlement per Line = 0.8070 x {\$9.843542 + (\$646.927782 / Lines Per Exchange)}

CL Adjustment

If Lines greater than 10,000 and Exchanges greater than 5 then

CL Adjustment = 0.8911

Else

CL Adjustment = 1.

COMMON LINE RATE OF RETURN FORMULA:

Monthly Common Line settlements are adjusted to reflect the Rate of Return (ROR) achieved by the total NECA Common Line pool.

Current Formula:

$$\text{Common Line Factor} = 0.735101 + (2.354658 \times \text{ROR})$$

Proposed Formula:

$$\text{Common Line Factor} = 0.748034 + (2.239698 \times \text{ROR})$$

UNIVERSAL SERVICE SUPPORT CONTRIBUTION FORMULA:

Current Formula:

Average Schedule Companies will receive a common line settlement reimbursement equal to the Average Schedule Company's contribution to the Federal Universal Service program assigned to the interstate common line access element according to Commission rules.

Proposed Formula:

Average Schedule Companies will receive a common line settlement reimbursement equal to the Average Schedule Company's contribution to the Federal Universal Service program assigned to the interstate common line access element according to Commission rules.

COMMON LINE LINE PORT FORMULA:

Current Formula:

Common Line Line Port Formula = 0.175764 x Central Office Formula

Proposed Formula:

Common Line Line Port Formula = 0.162807 x Central Office Formula

COMMON LINE TRANSPORT FORMULAS:

Current Formula:

Common Line Transport Formula = 0.310588 x
 {Line Haul Distance Sensitive Formula
 + Line Haul Non-Distance Sensitive Formula
 + Intertoll Switching Formula}

Proposed Formula:

Common Line Transport Formula = 0.242818 x
 {Line Haul Distance Sensitive Formula
 + Line Haul Non-Distance Sensitive Formula
 + Intertoll Switching Formula}

B. TRAFFIC SENSITIVE FORMULAS

CENTRAL OFFICE FORMULA

Current Formula:

$$\text{Settlement} = (\text{Basic Settlement} \times \text{Access Line Factor}) + \$3,610.19$$

For Study Areas with Minutes Per Line Less Than or Equal to 391:

$$\text{Basic Settlement} = (\$0.019272 \times \text{Access Minutes}) + (\$392.89 \times \text{Exchanges})$$

For Study Areas with Minutes Per Line Greater Than 391 but Less Than or Equal to 850:

$$\begin{aligned} \text{Basic Settlement} &= (\$0.019272 \times 391 \times \text{Access Lines}) \\ &+ \{ \$0.008765 \times [\text{Access Minutes} - (391 \times \text{Access Lines})] \} \\ &\times \text{High Volume Access Line Multiplier} + (\$392.89 \times \text{Exchanges}) \end{aligned}$$

For Study Areas with Minutes Per Line Greater Than 850:

$$\begin{aligned} \text{Basic Settlement} &= (\$0.019272 \times 391 \times \text{Access Lines}) \\ &+ \{ \$0.008765 \times (850 - 391) \times \text{Access Lines} \\ &+ \$0.000463 \times [\text{Access Minutes} - (850 \times \text{Access Lines})] \} \times \text{High Volume Access Line Multiplier} \\ &+ (\$392.89 \times \text{Exchanges}) \end{aligned}$$

Access Line Factor:

For study areas with common line access lines less than 10,000:

$$\text{Access Line Factor} = 2.210818 - (0.000121082 \times \text{Common Line Access Lines})$$

For study areas with common line access lines greater than or equal to 10,000:

$$\text{Access Line Factor} = 1.0$$

$$\text{High Volume Access Line Multiplier} = (550 / \text{Common Line Access Lines})$$

Proposed Formula:

Settlement = (Basic Settlement x Access Line Factor) + \$4,156.80

For Study Areas with Minutes Per Line Less Than or Equal to 350:

Basic Settlement = (\$0.019913 x Access Minutes) + (\$286.50 x Exchanges)

For Study Areas with Minutes Per Line Greater Than 350 but Less Than or Equal to 850:

Basic Settlement = (\$0.019913 x 350 x Access Lines)
+ {\$0.009419 x [Access Minutes - (350 x Access Lines)]}
x High Volume Access Line Multiplier + (\$286.50 x Exchanges)

For Study Areas with Minutes Per Line Greater Than 850:

Basic Settlement = (\$0.019913 x 350 x Access Lines)
+ {\$0.009419 x (850 - 350) x Access Lines
+ \$0.000942 x [Access Minutes - (850 x Access Lines)]} x High Volume Access Line Multiplier
+ (\$286.50 x Exchanges)

Access Line Factor:

For study areas with common line access lines less than 15,000:

Access Line Factor = 2.161501 - (0.000077433 x Common Line Access Lines)

For study areas with common line access lines greater than or equal to 15,000:

Access Line Factor = 1.0

High Volume Access Line Multiplier = (450 / Common Line Access Lines)

TRAFFIC SENSITIVE CENTRAL OFFICE FORMULA:**Current Formula:**

Traffic Sensitive Central Office = (1 - 0.175764) x Central Office Formula

Proposed Formula:

Traffic Sensitive Central Office = (1 - 0.162807) x Central Office Formula

INTERTOLL DIAL SWITCHING FORMULA:

Current Formula:

Settlement Per Intertoll Trunk = \$13.35

Proposed Formula:

Settlement Per Intertoll Trunk = \$12.96

LINE HAUL DISTANCE SENSITIVE FORMULA:

Current Formula:

For study areas with circuit miles greater than zero and circuit miles per circuit less than or equal to 100:

$$\text{Settlement} = (\$0.580650 \times \text{Circuit Miles}) + (\$0.002194 \times \text{Access Minutes})$$

For study areas with circuit miles per circuit greater than 100:

$$\begin{aligned} \text{Settlement} = & (\$0.580650 \times 100 \times \text{Circuits}) \\ & + 0.042931 \times (\text{Circuit Miles} - (100 \times \text{Circuits})) \\ & + (\$0.002194 \times \text{Access Minutes}) \end{aligned}$$

Proposed Formula:

For study areas with circuit miles greater than zero and circuit miles per circuit less than or equal to 100:

$$\text{Settlement} = (\$0.516577 \times \text{Circuit Miles}) + (\$0.002357 \times \text{Access Minutes})$$

For study areas with circuit miles per circuit greater than 100:

$$\begin{aligned} \text{Settlement} = & (\$0.516577 \times 100 \times \text{Circuits}) \\ & + 0.038804 \times (\text{Circuit Miles} - (100 \times \text{Circuits})) \\ & + (\$0.002357 \times \text{Access Minutes}) \end{aligned}$$

LINE HAUL NON-DISTANCE SENSITIVE FORMULA:

Current Formula:

For study areas with interstate circuit terminations per exchange less than 161:

$$\text{Settlement Per Interstate Circuit Termination} = \\ \$28.23 - \$0.074981 \times \text{Terminations Per Exchange}$$

For study areas with interstate circuit terminations per exchange greater than or equal to 161:

$$\text{Settlement Per Interstate Circuit Termination} = \$16.16$$

Proposed Formula:

For study areas with interstate circuit terminations per exchange less than 161:

$$\text{Settlement Per Interstate Circuit Termination} = \\ \$30.94 - \$0.075850 \times \text{Terminations Per Exchange}$$

For study areas with interstate circuit terminations per exchange greater than or equal to 161:

$$\text{Settlement Per Interstate Circuit Termination} = \$18.73$$

TRAFFIC SENSITIVE TRANSPORT FORMULAS:

Current Formula:

$$\text{Traffic Sensitive Transport} = (1 - 0.310588) \times \\ \{ \text{Line Haul Distance Sensitive Formula} \\ + \text{Line Haul Non-Distance Sensitive Formula} \\ + \text{Intertoll Switching Formula} \}$$

Proposed Formula:

$$\text{Traffic Sensitive Transport} = (1 - 0.242818) \times \\ \{ \text{Line Haul Distance Sensitive Formula} \\ + \text{Line Haul Non-Distance Sensitive Formula} \\ + \text{Intertoll Switching Formula} \}$$

SPECIAL ACCESS FORMULA:

Current Formula:

For study areas with Special Access Revenues per Exchange less than 2,560:

$$\text{Settlement} = [\text{Special Access Revenues} \times \$0.850458 \times (2.0 - 0.000391 \times \text{Special Access Revenues per Exchange})] \times \text{Tariff Rate Index}$$

For study areas with Special Access Revenues per Exchange greater than or equal to 2,560:

$$\text{Settlement} = \text{Special Access Revenues} \times \$0.850458 \times \text{Tariff Rate Index}$$

$$\text{Tariff Rate Index} = 1 / (1 + \text{Tariff Special Access Relative Rate Change Since 12/04})$$

Proposed Formula:

For study areas with Special Access Revenues per Exchange less than 300:

$$\text{Settlement} = [\text{Special Access Revenues} \times (10.09 - 0.016823 \times \text{Special Access Revenues per Exchange})] \times \text{Tariff Rate Index}$$

For study areas with Special Access Revenues per Exchange between 300 and 500:

$$\text{Settlement} = [\text{Special Access Revenues} \times (7.21 - 0.00721 \times \text{Special Access Revenues per Exchange})] \times \text{Tariff Rate Index}$$

For study areas with Special Access Revenues per Exchange greater than 500:

$$\text{Settlement} = [\text{Special Access Revenues} \times (0.698336 + 1453.27 / \text{Special Access Revenues per Exchange})] \times \text{Tariff Rate Index}$$

$$\text{Tariff Rate Index} = 1 / (1 + \text{Tariff Special Access Relative Rate Change Since 12/05})$$

TRAFFIC SENSITIVE RATE OF RETURN FORMULA:

Monthly Traffic Sensitive settlements are adjusted to reflect the Rate of Return (ROR) achieved by the total NECA Traffic Sensitive pool.

Current Formula:

$$\text{Traffic Sensitive Factor} = 0.778098 + (1.972462 \times \text{ROR})$$

Proposed Formula:

$$\text{Traffic Sensitive Factor} = 0.794887 + (1.823227 \times \text{ROR})$$

EQUAL ACCESS IMPLEMENTATION FORMULA:

Current Formula:

The interstate portion of initial incremental equal access expenses paid in the month in which they are incurred and $0.0247 \times$ (the interstate portion of initial incremental equal access investment) per month for 96 months.

Proposed Formula:

The interstate portion of initial incremental equal access expenses paid in the month in which they are incurred and $0.0247 \times$ (the interstate portion of initial incremental equal access investment) per month for 96 months.

SIGNALING SYSTEM 7 FORMULAS:

Current Formula:

Settlement = \$1,277 For each end office with SP or SSP equipment in service with full connectivity to the nationwide Signaling network.

Settlement = \$704 For each end office with SP or SSP equipment in service not yet having full connectivity to the nationwide Signaling network.

Proposed Formula:

Settlement = \$1,328 For each end office with SP or SSP equipment in service with full connectivity to the nationwide Signaling network.

Settlement = \$695 For each end office with SP or SSP equipment in service not yet having full connectivity to the nationwide signaling network.

NETWORK ADMINISTRATION FORMULA:

Current Formula:

The incremental interstate costs of inter-company charges for network administration, as approved by the Commission for recovery by cost companies.

Proposed Formula:

The incremental interstate costs of inter-company charges for network administration, as approved by the Commission for recovery by cost companies.

2006 Modification of Average Schedules

Glossary

Term	Definition
Access Line	An end of period count of all working communication facilities extending from an end user's premises terminating in an end office (Class 5) that are or may be used for local exchange service. For multiparty service, the number of access lines equals the number of loops terminating on the mainframe of the central office. If two party lines are bridged in the field, they are counted together as an access line. The reported lines include public and semi-public pay telephone lines, access lines used for Customer Owned Coin Operated Telephone Sets (COCOTS), and employee concession lines. Excluded are company official lines and special access lines (i.e., FX service at either the closed or open end, WATS/800 Service lines at closed end, etc.). Inclusion of public pay telephone is effective April 1997. Prior to April 1997, public pay telephones are excluded from access line counts. For average schedule settlements reporting, beginning July 1, 2002, each BRI ISDN line counts as one access line and each PRI ISDN line counts as five access lines. Beginning in July 2004, each DS1 channel service counts as 5 access lines.
Access Line Factor	The component of the Traffic Sensitive Central Office Formula that compensates for the higher Local Switching Revenue Requirement per Minute, including DEM weighting, incurred by study areas with less than 10,000 access lines. It ensures that smaller study areas receive relatively higher settlements per minute and per exchange than larger companies. (See Section VII.E.2.a, b and d for formula.)
Access Minute	<p>For average schedule companies, access minutes are the total of all premium and non-premium interstate traffic sensitive switched access minutes of use. Includes all Feature Group A, B, C, and D interstate access minutes of use that are switched in a Class 5 end office of an average schedule exchange carrier.</p> <p>For cost companies, who did not report monthly traffic sensitive switched access minutes to NECA prior to July 2004, access minutes are derived from reported premium common line minutes. NECA derived a simple regression model from data reported by average schedule companies. Using this model, NECA then calculated traffic sensitive switched access minutes for each sample cost study area. (See Section III.E.1.d for calculation.)</p>
Access Link (A-link) Pair	A communications path that connects a Signaling System 7 (SS7) switching office or Consolidation Point (CP) to its home Signaling Transfer Point (STP). A-links are always installed in pairs from an SS7 switching office or CP, with one to each "mated" STP.
Access Market Survey	A bi-annual survey, conducted by NECA, that studies the deployment of fiber optics, digital switching, Signaling System 7 (SS7), Integrated Services Digital Network (ISDN), Digital Subscriber Line (DSL) and other services by small telephone companies that participate in the NECA Traffic Sensitive pool.
Allocation Models	Statistically derived formulas used in NECA's average schedule studies to determine the interstate portion of a statistical sample of average schedule accounts assigned to access elements, as mandated by Part 69 of the Commission's rules.

2006 Modification of Average Schedules

Glossary

Term	Definition
Average Effective Tax Rate	The weighted average effective Federal Income tax rate from 2003 Sample Cost studies.
Average Revenue Requirement Growth Ratio	The ratio of the sum of weighted 2002 unseparated revenue requirements to the sum of weighted 2001 unseparated revenue requirements using data from all average schedule study areas in the 2003 Sample.
Average Schedule Company Settlement Statements (AS3000)	The reports created by NECA that display an average schedule company's monthly net settlement computation, using estimates or adjustments provided by the company. Net settlement is the difference between gross settlement calculated using average schedule settlement formulas, and earned revenues, which include Access Charge revenues. The report also show distributions from Long Term Support (LTS) and Local Switching Support (LSS) funds.
Average Schedule USF Expense Adjustment	Amounts distributed to qualified average schedule companies pursuant to FCC rule Part 36.631 derived from the Universal Service Fund average schedule formula developed by NECA to estimate the loop costs of average schedule companies. Universal Service Administrative Company (USAC) transfers the Universal Service Support amounts by study area to NECA for distribution as part of the monthly settlement process.
Baseline Cost per Minute	<p>The average monthly central office revenue requirement per minute among average schedule study areas having more than 10,000 access lines. This is used in developing the Access line Factor for each study area.</p> $Baseline\ Cost\ per\ Minute = \frac{\sum_{i=1}^n (Sample\ Weight_i \times Monthly\ Central\ Office\ Revenue\ Requirement_i)}{\sum_{i=1}^n (Sample\ Weight_i \times Access\ Minutes_i)}$ <p>n = The number of average schedule study areas in the sample having more than 10,000 access lines.</p>
Basic Cost per Minute	<p>The Basic Cost per Minute for each minutes per line band (j) was used to develop the Initial Central Office formula.</p> <p>For each band, the Basic Cost per Minute was calculated as:</p> $Basic\ Cost\ per\ Minute_j = \frac{Central\ Office\ Revenue\ Requirement\ per\ Access\ Minute_j}{Model\ Access\ Line\ Factor_j}$

2006 Modification of Average Schedules
Glossary

Term	Definition
Carrier Access Billing System (CABS) Cost Model	The CABS model is developed by applying ordinary regression methods to the interstate CABS portion of service expenses reported in sample cost studies. Calculation for CABS Cost can be found in Section VII.E.1.
Central Office – Local Switching Only	The component of central office settlements that compensate for local switching costs (i.e., that exclude CABS costs).
Common Line TIC Shift Factor	The fraction of transport settlements paid from the common line pool pursuant to the MAG Order.
Cost	A component of an exchange carrier's accounts, attributed to a particular service or jurisdiction.
Cost Company Settlement Statements (EC3050)	The reports created by NECA that display a cost company's current month's settlement computation using estimated current month data and the combined effects of prior period adjustments. In addition, these reports show distributions from the Universal Service Support and Local Switching Support Funds.
Cost Study Database	A database created by NECA that contains cost study account data separated to the interstate jurisdiction and allocated to access categories by NECA's Cost Study program for companies which settle with NECA based on individual cost.
Customer Database	A database, administered by NECA, that contains information related to NECA's revenue distribution agreements with individual companies (e.g. company name and address, contact persons, tax status indicator, number of exchanges, pool and tariff participation indicators, etc.).
Cutoff Point	A value used to distinguish an influential data point versus a non-influential data point.
Data Projections	The amounts calculated to represent a level of an account or demand variable of a sample study area, in a period usually the test period later than the historical period from which the supporting data was taken.
DFFITS	A statistic that measures the influence each observation has on the predicted value for that observation. It measures the change in the predicted value calculated for the <i>ith</i> observation before/after deleting the <i>ith</i> observation.
Equivalent Circuit Miles	A composite of normal route and long route circuit miles used in the Line Haul Distance Sensitive regression model. Equivalent Circuit Miles is defined as normal route circuit miles added to the product of the Long Route Relative Cost Ratio and long route circuit miles.
Exchange	A unit generally smaller than a Local Access and Transport Area, established by the telephone company for the administration of communications services in a specified area which usually embraces a city, town, or village and its environs. It uses one or more central offices together with the associated facilities used in furnishing communications services within that area.

2006 Modification of Average Schedules
Glossary

Term	Definition
High Lines Per Exchange Multiplier	A factor used in the Common Line formula that accounts for the lower cost per line of the large lines per exchange study areas.
High Traffic Volume Period	A high traffic volume period is the most recent calendar year, either 2001 or 2002 for the 2003 data collection, or 2002 or 2003 for the 2004 data collection, when the minutes of use per line per month of a sample average schedule company exceed designated threshold.
High Traffic Volume Threshold	A value of minutes per line which divides access minutes into groups for distinct settlement calculation methods. The High Volume Thresholds in the proposed Traffic Sensitive Central Office formula are at 350, and 850 minutes per line.
Initial Central Office Formula	The Traffic Sensitive Central Office Formula prior to the addition of CABS costs.
Interstate Circuits	One of the settlement variables in the distance sensitive line haul formula, obtained by a circuit count allocation method described in Section 7 of the Average Schedule Pool Administration Procedures.
Interstate Circuit Miles	The interstate allocation of the number of miles of circuits carrying interstate switched access traffic defined according to NECA's average schedule settlement procedures.
Interstate Switched Circuit Terminations	The interstate allocation of the number of terminations of circuits carrying interstate switched access traffic defined according to NECA's average schedule settlement procedures.
Line Haul Route	For Line Haul settlement purposes, a route is defined as the path that carries a switched line haul circuit from its origin switch to its destination switch or destination Point of Connection (POC). The origin and destination switch on a route must have switch ports assigned to circuits on the route. The destination POC must be the point of interconnection with an IC. An office that only provides a cross connect function for the circuit without hand-off to another carrier can not be the origin or destination of a route. Carriers may choose to separately identify routes to operator services facility locations for operator handled traffic for Line Haul settlements reporting. Examples of Line Haul route identification are: End Office to End Office, End Office to Tandem or POC, Remote to Host, Host to Tandem or POC, Intermediate Tandem to Access Tandem, Access Tandem to IXC Tandem or POC, Tandem to Operator Services Location.
Line Port Shift Factor	The fraction of central office settlements paid from the common line pool pursuant to the FCC's MAG order of November 8, 2001.
Local Switching Support Fraction	A relative portion of settlements for Central Office – Local Switching Only that will be supported by universal service funding. NECA develops these fractions based on access line size groups and high access minutes per line status. USAC uses these fractions to calculate support.

2006 Modification of Average Schedules
Glossary

Term	Definition
Local Switching Support Payment	The portion of the local switching settlement that is recovered through the universal service fund effective January 1, 1998. The balance of the settlement is recovered through NECA's local switching access charges. Prior to January 1, 1998, the support amount was determined under the FCC's DEM weighing rules and recovered through access charges.
Long Route Circuit Miles	The difference between Interstate Circuit Miles and Normal Route Circuit Miles.
Long Route Relative Cost Ratio	A ratio of long route cost to normal route cost, where the numerator is determined using network company cost data, and the denominator is the Preliminary Normal Route Cost.
Measure of Size	A calculation used to determine sample probabilities, equal to the square root of total access revenues used to calculate the stratum standard deviation of each study area in the stratum.
Minutes per Line	<p>A ratio computed to develop and administer the Traffic Sensitive Central Office Formula.</p> $\text{Minutes per Line} = \frac{\text{Monthly Access Minutes}}{\text{Access Lines}}$
Month Sequence	A variable sequentially assigned to each month of a time series, and is used as an independent variable in modeling demand.
Normal Route Circuit Miles	The Interstate Circuit Miles, used to carry interstate switched access traffic, up to but not exceeding 100 miles per Interstate Circuit.
Neyman Allocation	A method of allocating the sample size to each stratum that determines the size of the sample in each in proportion to strata standard deviation.
Outlier Accommodation	The method of diminishing the variance of estimates by reducing the impact of influential data that are included in a regression model or ratio estimate.
Outlier Growth Test Ratio	The ratio measuring the impact of each study area on the Average Revenue Requirement Growth Ratio and used to determine which study areas are outliers to be excluded from all 2003 Sample Annual Growth Ratio calculations.
Outlier Identification	The procedure of identifying data points that are considered to be non-representative or that have undue influence on estimated model parameters.

2006 Modification of Average Schedules
Glossary

Term	Definition
Preliminary Normal Route Cost	The Line Haul Distance Sensitive cost per normal route circuit mile determined by regression based on companies without long routes only. This cost does not yet take into account the data from study areas with both normal routes and long routes. It is used to develop the Long Route Relative Cost Ratio.
"Precision" or "Precision of Sample Estimates"	A measure of how close an estimate derived from sample data is expected to come to the value that would have been computed by examining the entire population of study areas.
Probability Proportionate to Size (PPS)	The method for determining the probability that a particular study area is included in the multi-year sample. The method assigns a greater probability of selection to larger study areas. The PPS sample method is used because it is statistically efficient. It produces more precise estimates from a sample of specific size than do equal probability sampling methods.
Rate of Return Adjustment Factor	A monthly adjustment factor used to convert special access earned revenues from the achieved rate of return to the authorized rate of return.
Relative Interstate DEM	The ratio of a study area's unweighted Interstate Dial Equipment Minutes (DEM) to its unweighted Total DEM Minutes.
Revenue Requirement	The amount recoverable from interstate tariff charges, providing for expenses, taxes and a return on investment at the authorized rate of return.
Route Miles	The sum of lengths of the facilities on a line haul route owned or leased by an exchange carrier for the transport of interstate switched access traffic measured from switching point to switching point, or from switching point to point of connection.
Sample Design Criteria	A set of nine characteristics of study areas designated to ensure that the selected sample efficiently and accurately represents cost and average schedule study areas. They are used to stratify both populations into sub-groups from which the sample companies are selected.
Sample Weight	The reciprocal of the probability of including a study area in the sample in any given year. The sum of sample weights equals the total count of population units.
Separation Models	The statistically derived formulas used in NECA's average schedule studies to determine the interstate portion of accounts, as mandated by Part 36 of the Commission's rules.
Settlement	The amount of pooled access revenue that each exchange carrier receives for providing interstate access service to interexchange carriers and other users.

2006 Modification of Average Schedules
Glossary

Term	Definition
Settlement Analysis Workpaper	A report prepared annually by NECA that compares a study area's current and proposed settlements, assuming constant demand.
Settlement Formula	One of a set of statistically derived formulas for use in calculating monthly settlements to average schedule companies, shown in Section VIII of this Filing.
Special Access Average Retention Ratio	An overall average special access retention ratio computed from average schedule sample data.
Special Access Basic Retention Ratio	A component of the special access average retention ratio not attributed to the Revenue Size Factor Model.
Special Access Revenues	The amount charged for all Traffic Sensitive Interstate Special Access rate elements.
Special Access Revenue Size Factor Model	A statistically derived model that determines a relationship between special access relative cost and company size.
Stratified Account Growth Ratio	The estimate of annual account growth calculated based on year over year changes in accounts from all average schedule study areas in each of three strata of the 2004 Sample.
Stratified Composite Growth Ratio	An account's annual growth ratio calculated by combining growth ratios from consecutive annual samples.
Stratified Multi-year Growth Ratio	A multi-year growth ratio extrapolated from Stratified Composite Growth Ratios and used to forecast base period account values of study areas in each of three strata of the 2003 and 2004 Samples to the test period.
Test Period	A future time period when the average schedule formulas are proposed to be effective. The test period for the 2006 Modification of Average Schedules is July 1, 2006 through June 30, 2007.
TIC Shift Factor	The fraction of transport settlements paid from the common line pool pursuant to the FCC's MAG order of November 8, 2001.
Total Conversation Minutes	A factor developed as part of a cost separations study and used to determine the portion of some facility costs to be assigned to the interstate jurisdiction.
Trend Change Indicator	A variable included in demand growth modeling to capture the impact of changes in historical data trends on future growth estimates.
Universal Service Contribution	The amount that telecommunications carriers, who provide interstate telecommunications services to others for a fee, contribute to the universal service support mechanisms based on their end-user telecommunication revenues as identified on the FCC's Form 499.

2006 Modification of Average Schedules
Glossary

Term	Definition
Universal Service Contribution Reimbursement	The portion of the universal service contribution amount reimbursed to average schedule companies. This amount is equal to the actual paid <i>regulated</i> end user telephone operations universal service contributions which are assigned to the common line access element. Calculated in accordance with instructions for Line 12 in Section 5.0 of the Average Schedule Pool Administration Procedures.
Universal Service Loop Cost Formula	A formula filed by NECA with the FCC each year as part of the annual Modification to the Average Schedules, used to calculate an unseparated loop cost for each average schedule company. An average schedule company receives USF compensation if its formula value exceeds 115% of the nationwide average cost per loop. The formula is included in NECA's October USF Data Submission.
Variance Weight	A multiplier, which is in inverse proportion to its contribution to total model variance, applied to influential points such that the impact of influential data on a regression model is minimized.

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 1	1	20471	143.08	1	0.00	0.00	3	5
AVG SCH 1	2	7076	84.12	1	0.00	0.00	1	5
AVG SCH 1	3	5180	71.97	1	0.00	0.00	5	5
AVG SCH 1	4	4749	68.91	1	0.00	0.00	2	5
AVG SCH 1	5	4072	63.81	1	0.00	0.00	4	5
AVG SCH 1	6	3676	60.63	1	0.00	0.00	3	5
AVG SCH 1	7	3518	59.31	1	0.00	0.00	1	5
AVG SCH 1	8	2443	49.43	1	0.00	0.00	5	5
AVG SCH 1	9	2399	48.98	1	0.00	0.00	2	5
AVG SCH 1	10	2112	45.96	1	0.00	0.00	4	5
AVG SCH 1	11	1798	42.40	1	0.00	0.00	3	5
AVG SCH 1	12	1613	40.16	1	0.00	0.00	1	5
AVG SCH 1	13	1519	38.97	1	0.00	0.00	5	5
AVG SCH 1	14	1089	33.00	1	0.00	0.00	2	5
AVG SCH 1	15	1054	32.47	1	0.00	0.00	4	5
AVG SCH 1	16	1031	32.11	1	0.00	0.00	3	5
AVG SCH 1	17	959	30.97	1	0.00	0.00	1	5
AVG SCH 1	18	883	29.72	1	0.00	0.00	5	5
AVG SCH 1	19	882	29.70	1	0.00	0.00	2	5
AVG SCH 1	20	799	28.27	1	0.00	0.00	4	5
AVG SCH 1	21	636	25.22	1	0.00	0.00	3	5
AVG SCH 1	22	630	25.10	1	0.00	0.00	1	5
AVG SCH 1	23	588	24.25	1	0.00	0.00	5	5
AVG SCH 1	24	511	22.61	1	0.00	0.00	2	5
AVG SCH 2	1	331530	575.79	1	0.00	0.00	2	2
AVG SCH 2	2	303787	551.17	1	0.00	0.00	1	2
AVG SCH 2	3	223892	473.17	1	0.00	0.00	2	2
AVG SCH 2	4	179624	423.82	1	0.00	0.00	1	2
AVG SCH 2	5	106523	326.38	1	0.00	0.00	2	2
AVG SCH 2	6	93668	306.05	1	0.00	0.00	1	2
AVG SCH 2	7	93130	305.17	1	0.00	0.00	2	2
AVG SCH 2	8	84954	291.47	1	0.00	0.00	1	2
AVG SCH 2	9	84310	290.36	1	0.00	0.00	2	2
AVG SCH 2	10	72557	269.36	1	0.00	0.00	1	2
AVG SCH 2	11	71661	267.70	1	0.00	0.00	2	2
AVG SCH 2	12	60734	246.44	1	0.00	0.00	1	2
AVG SCH 2	13	57043	238.84	1	0.00	0.00	2	2
AVG SCH 2	14	56649	238.01	1	0.00	0.00	1	2
AVG SCH 2	15	55275	235.11	1	0.00	0.00	2	2
AVG SCH 2	16	43602	208.81	1	0.00	0.00	1	2
AVG SCH 2	17	43524	208.62	1	0.00	0.00	2	2
AVG SCH 2	18	43005	207.38	1	0.00	0.00	1	2
AVG SCH 2	19	40490	201.22	1	0.00	0.00	2	2

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 2	20	40143	200.36	1	0.00	0.00	1	2
AVG SCH 2	21	38361	195.86	1	0.00	0.00	2	2
AVG SCH 2	22	36205	190.28	1	0.00	0.00	1	2
AVG SCH 2	23	32030	178.97	1	0.00	0.00	2	2
AVG SCH 2	24	31356	177.08	1	0.00	0.00	1	2
AVG SCH 2	25	29403	171.47	1	0.00	0.00	2	2
AVG SCH 2	26	29224	170.95	1	0.00	0.00	1	2
AVG SCH 2	27	28338	168.34	1	0.00	0.00	2	2
AVG SCH 2	28	15506	124.52	1	0.00	0.00	1	2
AVG SCH 2	29	14992	122.44	1	0.00	0.00	2	2
AVG SCH 2	30	13062	114.29	1	0.00	0.00	1	2
AVG SCH 2	31	10401	101.99	1	0.00	0.00	2	2
AVG SCH 2	32	10065	100.32	1	0.00	0.00	1	2
AVG SCH 2	33	9354	96.72	1	0.00	0.00	2	2
AVG SCH 2	34	8016	89.53	1	0.00	0.00	1	2
AVG SCH 2	35	5954	77.16	1	0.00	0.00	2	2
AVG SCH 2	36	5034	70.95	1	0.00	0.00	1	2
AVG SCH 2	37	2059	45.38	1	0.00	0.00	2	2
AVG SCH 3	1	608476	780.05	1	0.00	0.00	2	2
AVG SCH 3	2	458177	676.89	1	0.00	0.00	1	2
AVG SCH 3	3	248437	498.43	1	0.00	0.00	2	2
AVG SCH 3	4	120187	346.68	1	0.00	0.00	1	2
AVG SCH 3	5	114049	337.71	1	0.00	0.00	2	2
AVG SCH 3	6	85220	291.92	1	0.00	0.00	1	2
AVG SCH 3	7	54994	234.51	1	0.00	0.00	2	2
AVG SCH 3	8	50913	225.64	1	0.00	0.00	1	2
AVG SCH 3	9	47660	218.31	1	0.00	0.00	2	2
AVG SCH 3	10	41063	202.64	1	0.00	0.00	1	2
AVG SCH 3	11	37240	192.98	1	0.00	0.00	2	2
AVG SCH 3	12	37187	192.84	1	0.00	0.00	1	2
AVG SCH 3	13	29840	172.74	1	0.00	0.00	2	2
AVG SCH 3	14	29729	172.42	1	0.00	0.00	1	2
AVG SCH 3	15	25902	160.94	1	0.00	0.00	2	2
AVG SCH 3	16	24706	157.18	1	0.00	0.00	1	2
AVG SCH 3	17	18175	134.81	1	0.00	0.00	2	2
AVG SCH 3	18	17383	131.84	1	0.00	0.00	1	2
AVG SCH 3	19	15427	124.21	1	0.00	0.00	2	2
AVG SCH 3	20	14737	121.40	1	0.00	0.00	1	2
AVG SCH 3	21	14691	121.21	1	0.00	0.00	2	2
AVG SCH 3	22	7372	85.86	1	0.00	0.00	1	2
AVG SCH 3	23	4362	66.05	1	0.00	0.00	2	2
AVG SCH 6	1	100795	317.48	1	0.00	0.00	2	5
AVG SCH 6	2	66303	257.49	1	0.00	0.00	3	5

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 6	3	61490	247.97	1	0.00	0.00	5	5
AVG SCH 6	4	58539	241.95	1	0.00	0.00	1	5
AVG SCH 6	5	52307	228.71	1	0.00	0.00	4	5
AVG SCH 6	6	51552	227.05	1	0.00	0.00	2	5
AVG SCH 6	7	49394	222.25	1	0.00	0.00	3	5
AVG SCH 6	8	42126	205.25	1	0.00	0.00	5	5
AVG SCH 6	9	39752	199.38	1	0.00	0.00	1	5
AVG SCH 6	10	36711	191.60	1	0.00	0.00	4	5
AVG SCH 6	11	36628	191.38	1	0.00	0.00	2	5
AVG SCH 6	12	35880	189.42	1	0.00	0.00	3	5
AVG SCH 6	13	35516	188.46	1	0.00	0.00	5	5
AVG SCH 6	14	35436	188.24	1	0.00	0.00	1	5
AVG SCH 6	15	34901	186.82	1	0.00	0.00	4	5
AVG SCH 6	16	34782	186.50	1	0.00	0.00	2	5
AVG SCH 6	17	34202	184.94	1	0.00	0.00	3	5
AVG SCH 6	18	32514	180.32	1	0.00	0.00	5	5
AVG SCH 6	19	32416	180.04	1	0.00	0.00	1	5
AVG SCH 6	20	31625	177.83	1	0.00	0.00	4	5
AVG SCH 6	21	31441	177.32	1	0.00	0.00	2	5
AVG SCH 6	22	31053	176.22	1	0.00	0.00	3	5
AVG SCH 6	23	30547	174.78	1	0.00	0.00	5	5
AVG SCH 6	24	30473	174.57	1	0.00	0.00	1	5
AVG SCH 6	25	28964	170.19	1	0.00	0.00	4	5
AVG SCH 6	26	28814	169.75	1	0.00	0.00	2	5
AVG SCH 6	27	28560	169.00	1	0.00	0.00	3	5
AVG SCH 6	28	27893	167.01	1	0.00	0.00	5	5
AVG SCH 6	29	27639	166.25	1	0.00	0.00	1	5
AVG SCH 6	30	27100	164.62	1	0.00	0.00	4	5
AVG SCH 6	31	26456	162.65	1	0.00	0.00	2	5
AVG SCH 6	32	26160	161.74	1	0.00	0.00	3	5
AVG SCH 6	33	25324	159.14	1	0.00	0.00	5	5
AVG SCH 6	34	24761	157.36	1	0.00	0.00	1	5
AVG SCH 6	35	24630	156.94	1	0.00	0.00	4	5
AVG SCH 6	36	24555	156.70	1	0.00	0.00	2	5
AVG SCH 6	37	24418	156.26	1	0.00	0.00	3	5
AVG SCH 6	38	24262	155.76	1	0.00	0.00	5	5
AVG SCH 6	39	24033	155.03	1	0.00	0.00	1	5
AVG SCH 6	40	23702	153.95	1	0.00	0.00	4	5
AVG SCH 6	41	23281	152.58	1	0.00	0.00	2	5
AVG SCH 6	42	23161	152.19	1	0.00	0.00	3	5
AVG SCH 6	43	22942	151.47	1	0.00	0.00	5	5
AVG SCH 6	44	22134	148.77	1	0.00	0.00	1	5
AVG SCH 6	45	21849	147.81	1	0.00	0.00	4	5

Appendix A1
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Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 6	46	21691	147.28	1	0.00	0.00	2	5
AVG SCH 6	47	20936	144.69	1	0.00	0.00	3	5
AVG SCH 6	48	20657	143.73	1	0.00	0.00	5	5
AVG SCH 6	49	20070	141.67	1	0.00	0.00	1	5
AVG SCH 6	50	20060	141.63	1	0.00	0.00	4	5
AVG SCH 6	51	18660	136.60	1	0.00	0.00	2	5
AVG SCH 6	52	18267	135.16	1	0.00	0.00	3	5
AVG SCH 6	53	18069	134.42	1	0.00	0.00	5	5
AVG SCH 6	54	17908	133.82	1	0.00	0.00	1	5
AVG SCH 6	55	17642	132.82	1	0.00	0.00	4	5
AVG SCH 6	56	17109	130.80	1	0.00	0.00	2	5
AVG SCH 6	57	17033	130.51	1	0.00	0.00	3	5
AVG SCH 6	58	16853	129.82	1	0.00	0.00	5	5
AVG SCH 6	59	15900	126.10	1	0.00	0.00	1	5
AVG SCH 6	60	15518	124.57	1	0.00	0.00	4	5
AVG SCH 6	61	15284	123.63	1	0.00	0.00	2	5
AVG SCH 6	62	15045	122.66	1	0.00	0.00	3	5
AVG SCH 6	63	14986	122.42	1	0.00	0.00	5	5
AVG SCH 6	64	14980	122.39	1	0.00	0.00	1	5
AVG SCH 6	65	14748	121.44	0	121.44	114.16	4	5
AVG SCH 6	66	14740	121.41	0	242.85	235.62	2	5
AVG SCH 6	67	14205	119.18	0	362.03	357.08	3	5
AVG SCH 6	68	13893	117.87	0	479.90	478.54	5	5
AVG SCH 6	69	13736	117.20	0	597.10	478.54	0	5
AVG SCH 6	70	13609	116.66	0	713.76	600.01	1	5
AVG SCH 6	71	13581	116.54	0	830.30	721.47	4	5
AVG SCH 6	72	13565	116.47	0	946.77	842.93	2	5
AVG SCH 6	73	13341	115.50	0	1062.27	964.39	3	5
AVG SCH 6	74	13301	115.33	0	1177.60	1085.85	5	5
AVG SCH 6	75	13121	114.55	0	1292.15	1207.32	1	5
AVG SCH 6	76	13061	114.28	0	1406.43	1328.78	4	5
AVG SCH 6	77	13043	114.21	0	1520.64	1450.24	2	5
AVG SCH 6	78	12994	113.99	0	1634.63	1571.70	3	5
AVG SCH 6	79	12840	113.31	0	1747.94	1693.16	5	5
AVG SCH 6	80	12771	113.01	0	1860.95	1814.63	1	5
AVG SCH 6	81	12466	111.65	0	1972.60	1936.09	4	5
AVG SCH 6	82	12254	110.70	0	2083.30	2057.55	2	5
AVG SCH 6	83	11771	108.49	0	2191.80	2179.01	3	5
AVG SCH 6	84	11441	106.96	0	2298.76	2179.01	0	5
AVG SCH 6	85	11236	106.00	0	2404.76	2300.47	5	5
AVG SCH 6	86	11122	105.46	0	2510.22	2421.94	1	5
AVG SCH 6	87	11003	104.90	0	2615.11	2543.40	4	5
AVG SCH 6	88	10946	104.62	0	2719.74	2664.86	2	5

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Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 6	89	10839	104.11	0	2823.85	2786.32	3	5
AVG SCH 6	90	10825	104.04	0	2927.89	2907.79	5	5
AVG SCH 6	91	10607	102.99	0	3030.88	3029.25	1	5
AVG SCH 6	92	10478	102.36	0	3133.24	3029.25	0	5
AVG SCH 6	93	10233	101.16	0	3234.40	3150.71	4	5
AVG SCH 6	94	10120	100.60	0	3335.00	3272.17	2	5
AVG SCH 6	95	10056	100.28	0	3435.28	3393.63	3	5
AVG SCH 6	96	10054	100.27	0	3535.55	3515.10	5	5
AVG SCH 6	97	10044	100.22	0	3635.77	3515.10	0	5
AVG SCH 6	98	9874	99.37	0	3735.14	3636.56	1	5
AVG SCH 6	99	9841	99.20	0	3834.34	3758.02	4	5
AVG SCH 6	100	9632	98.14	0	3932.48	3879.48	2	5
AVG SCH 6	101	9614	98.05	0	4030.53	4000.94	3	5
AVG SCH 6	102	9533	97.64	0	4128.17	4122.41	5	5
AVG SCH 6	103	9532	97.63	0	4225.80	4122.41	0	5
AVG SCH 6	104	9525	97.60	0	4323.40	4243.87	1	5
AVG SCH 6	105	9487	97.40	0	4420.80	4365.33	4	5
AVG SCH 6	106	9278	96.32	0	4517.12	4486.79	2	5
AVG SCH 6	107	9246	96.16	0	4613.28	4608.25	3	5
AVG SCH 6	108	9193	95.88	0	4709.16	4608.25	0	5
AVG SCH 6	109	9086	95.32	0	4804.48	4729.72	5	5
AVG SCH 6	110	8971	94.72	0	4899.19	4851.18	1	5
AVG SCH 6	111	8936	94.53	0	4993.72	4972.64	4	5
AVG SCH 6	112	8910	94.39	0	5088.12	4972.64	0	5
AVG SCH 6	113	8906	94.37	0	5182.49	5094.10	2	5
AVG SCH 6	114	8831	93.97	0	5276.46	5215.56	3	5
AVG SCH 6	115	8795	93.78	0	5370.24	5337.03	5	5
AVG SCH 6	116	8767	93.63	0	5463.88	5458.49	1	5
AVG SCH 6	117	8650	93.01	0	5556.88	5458.49	0	5
AVG SCH 6	118	8620	92.84	0	5649.73	5579.95	4	5
AVG SCH 6	119	8493	92.16	0	5741.88	5701.41	2	5
AVG SCH 6	120	8491	92.15	0	5834.03	5822.87	3	5
AVG SCH 6	121	8469	92.03	0	5926.06	5822.87	0	5
AVG SCH 6	122	8380	91.54	0	6017.60	5944.34	5	5
AVG SCH 6	123	8107	90.04	0	6107.64	6065.80	1	5
AVG SCH 6	124	8003	89.46	0	6197.10	6187.26	4	5
AVG SCH 6	125	7920	88.99	0	6286.09	6187.26	0	5
AVG SCH 6	126	7910	88.94	0	6375.03	6308.72	2	5
AVG SCH 6	127	7826	88.46	0	6463.49	6430.19	3	5
AVG SCH 6	128	7790	88.26	0	6551.76	6551.65	5	5
AVG SCH 6	129	7746	88.01	0	6639.77	6551.65	0	5
AVG SCH 6	130	7438	86.24	0	6726.01	6673.11	1	5
AVG SCH 6	131	7211	84.92	0	6810.93	6794.57	4	5

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Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 6	132	7205	84.88	0	6895.81	6794.57	0	5
AVG SCH 6	133	7143	84.52	0	6980.33	6916.03	2	5
AVG SCH 6	134	7137	84.48	0	7064.81	7037.50	3	5
AVG SCH 6	135	7060	84.02	0	7148.83	7037.50	0	5
AVG SCH 6	136	6996	83.64	0	7232.47	7158.96	5	5
AVG SCH 6	137	6679	81.73	0	7314.20	7280.42	1	5
AVG SCH 6	138	6301	79.38	0	7393.58	7280.42	0	5
AVG SCH 6	139	6134	78.32	0	7471.90	7401.88	4	5
AVG SCH 6	140	6120	78.23	0	7550.13	7523.34	2	5
AVG SCH 6	141	5742	75.78	0	7625.90	7523.34	0	5
AVG SCH 6	142	5584	74.73	0	7700.63	7644.81	3	5
AVG SCH 6	143	5467	73.94	0	7774.57	7766.27	5	5
AVG SCH 6	144	5321	72.95	0	7847.51	7766.27	0	5
AVG SCH 6	145	4989	70.63	0	7918.15	7887.73	1	5
AVG SCH 6	146	4843	69.59	0	7987.74	7887.73	0	5
AVG SCH 6	147	4756	68.96	0	8056.70	8009.19	4	5
AVG SCH 6	148	4662	68.28	0	8124.98	8009.19	0	5
AVG SCH 6	149	4555	67.49	0	8192.47	8130.65	2	5
AVG SCH 6	150	4178	64.64	0	8257.11	8252.12	3	5
AVG SCH 6	151	4005	63.29	0	8320.39	8252.12	0	5
AVG SCH 6	152	3769	61.39	0	8381.79	8373.58	5	5
AVG SCH 6	153	3517	59.30	0	8441.09	8373.58	0	5
AVG SCH 6	154	3244	56.96	0	8498.05	8495.04	1	5
AVG SCH 6	155	3045	55.18	0	8553.23	8495.04	0	5
AVG SCH 6	156	2606	51.05	0	8604.28	8495.04	0	5
AVG SCH 6	157	2598	50.97	0	8655.25	8616.50	4	5
AVG SCH 6	158	2053	45.31	0	8700.56	8616.50	0	5
AVG SCH 6	159	1999	44.71	0	8745.27	8737.96	2	5
AVG SCH 7	1	50598	224.94	1	0.00	0.00	4	5
AVG SCH 7	2	38761	196.88	1	0.00	0.00	3	5
AVG SCH 7	3	20296	142.46	1	0.00	0.00	1	5
AVG SCH 7	4	17041	130.54	1	0.00	0.00	5	5
AVG SCH 7	5	16330	127.79	1	0.00	0.00	2	5
AVG SCH 7	6	14877	121.97	1	0.00	0.00	4	5
AVG SCH 7	7	13399	115.75	1	0.00	0.00	3	5
AVG SCH 7	8	13389	115.71	1	0.00	0.00	1	5
AVG SCH 7	9	11055	105.14	1	0.00	0.00	5	5
AVG SCH 7	10	10695	103.42	1	0.00	0.00	2	5
AVG SCH 7	11	10504	102.49	1	0.00	0.00	4	5
AVG SCH 7	12	9008	94.91	0	94.91	15.38	3	5
AVG SCH 7	13	7705	87.78	0	182.69	111.37	1	5
AVG SCH 7	14	6142	78.37	0	261.06	207.36	5	5
AVG SCH 7	15	5184	72.00	0	333.06	303.35	2	5

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Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 7	16	5034	70.95	0	404.01	399.35	4	5
AVG SCH 7	17	4619	67.96	0	471.97	399.35	0	5
AVG SCH 7	18	4586	67.72	0	539.69	495.34	3	5
AVG SCH 7	19	3683	60.69	0	600.38	591.33	1	5
AVG SCH 7	20	3615	60.12	0	660.51	591.33	0	5
AVG SCH 7	21	3570	59.75	0	720.26	687.32	5	5
AVG SCH 7	22	2738	52.33	0	772.58	687.32	0	5
AVG SCH 7	23	2103	45.86	0	818.44	783.31	2	5
AVG SCH 7	24	2068	45.48	0	863.92	783.31	0	5
AVG SCH 4A	1	99667	315.70	1	0.00	0.00	2	5
AVG SCH 4A	2	98207	313.38	1	0.00	0.00	3	5
AVG SCH 4A	3	94416	307.27	1	0.00	0.00	5	5
AVG SCH 4A	4	90852	301.42	1	0.00	0.00	1	5
AVG SCH 4A	5	90151	300.25	1	0.00	0.00	4	5
AVG SCH 4A	6	85601	292.58	1	0.00	0.00	2	5
AVG SCH 4A	7	79587	282.11	1	0.00	0.00	3	5
AVG SCH 4A	8	76804	277.14	1	0.00	0.00	5	5
AVG SCH 4A	9	76570	276.71	1	0.00	0.00	1	5
AVG SCH 4A	10	70039	264.65	1	0.00	0.00	4	5
AVG SCH 4A	11	58684	242.25	0	242.25	237.55	2	5
AVG SCH 4A	12	58589	242.05	0	484.30	237.55	0	5
AVG SCH 4A	13	55667	235.94	0	720.24	493.60	3	5
AVG SCH 4A	14	54146	232.69	0	952.93	749.65	5	5
AVG SCH 4A	15	37101	192.62	0	1145.55	1005.71	1	5
AVG SCH 4A	16	18148	134.71	0	1280.26	1261.76	4	5
AVG SCH 4B	1	3633122	1906.08	1	0.00	0.00	1	2
AVG SCH 4B	2	2132437	1460.29	1	0.00	0.00	2	2
AVG SCH 4B	3	1730020	1315.30	1	0.00	0.00	1	2
AVG SCH 4B	4	1106582	1051.94	1	0.00	0.00	2	2
AVG SCH 4B	5	958671	979.12	1	0.00	0.00	1	2
AVG SCH 4B	6	615602	784.60	1	0.00	0.00	2	2
AVG SCH 4B	7	479198	692.24	1	0.00	0.00	1	2
AVG SCH 4B	8	442393	665.13	1	0.00	0.00	2	2
AVG SCH 4B	9	395738	629.08	1	0.00	0.00	1	2
AVG SCH 4B	10	329508	574.03	1	0.00	0.00	2	2
AVG SCH 4B	11	306774	553.87	1	0.00	0.00	1	2
AVG SCH 4B	12	252988	502.98	1	0.00	0.00	2	2
AVG SCH 4B	13	217378	466.24	1	0.00	0.00	1	2
AVG SCH 4B	14	191976	438.15	1	0.00	0.00	2	2
AVG SCH 4B	15	180236	424.54	1	0.00	0.00	1	2
AVG SCH 4B	16	169108	411.23	1	0.00	0.00	2	2
AVG SCH 4B	17	154833	393.49	1	0.00	0.00	1	2
AVG SCH 4B	18	143414	378.70	1	0.00	0.00	2	2

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Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 4B	19	137943	371.41	1	0.00	0.00	1	2
AVG SCH 4B	20	130352	361.04	1	0.00	0.00	2	2
AVG SCH 4B	21	126315	355.41	1	0.00	0.00	1	2
AVG SCH 4B	22	121981	349.26	1	0.00	0.00	2	2
AVG SCH 4B	23	114441	338.29	1	0.00	0.00	1	2
AVG SCH 4B	24	111238	333.52	1	0.00	0.00	2	2
AVG SCH 4B	25	103221	321.28	1	0.00	0.00	1	2
AVG SCH 5A	1	19410	139.32	1	0.00	0.00	1	5
AVG SCH 5A	2	18873	137.38	1	0.00	0.00	3	5
AVG SCH 5A	3	18005	134.18	1	0.00	0.00	2	5
AVG SCH 5A	4	17826	133.51	1	0.00	0.00	4	5
AVG SCH 5A	5	16369	127.94	0	127.94	21.74	5	5
AVG SCH 5A	6	14698	121.24	0	249.18	150.25	1	5
AVG SCH 5A	7	13300	115.33	0	364.50	278.75	3	5
AVG SCH 5A	8	13213	114.95	0	479.45	407.26	2	5
AVG SCH 5A	9	12637	112.41	0	591.86	535.77	4	5
AVG SCH 5A	10	12143	110.20	0	702.06	664.28	5	5
AVG SCH 5A	11	10731	103.59	0	805.65	792.78	1	5
AVG SCH 5A	12	10154	100.77	0	906.42	792.78	0	5
AVG SCH 5A	13	9759	98.79	0	1005.21	921.29	3	5
AVG SCH 5A	14	8956	94.64	0	1099.84	1049.80	2	5
AVG SCH 5A	15	8362	91.44	0	1191.29	1178.31	4	5
AVG SCH 5A	16	6448	80.30	0	1271.58	1178.31	0	5
AVG SCH 5A	17	5303	72.82	0	1344.41	1306.81	5	5
AVG SCH 5A	18	4785	69.17	0	1413.58	1306.81	0	5
AVG SCH 5B	1	74813	273.52	0	273.52	0.00	0	5
AVG SCH 5B	2	69351	263.35	0	536.87	288.00	1	5
AVG SCH 5B	3	64249	253.47	0	790.34	576.00	3	5
AVG SCH 5B	4	62053	249.10	0	1039.44	864.00	5	5
AVG SCH 5B	5	57008	238.76	0	1278.21	1152.00	4	5
AVG SCH 5B	6	56070	236.79	0	1515.00	1440.00	2	5
AVG SCH 5B	7	55953	236.54	0	1751.54	1728.00	1	5
AVG SCH 5B	8	55596	235.79	0	1987.33	1728.00	0	5
AVG SCH 5B	9	47468	217.87	0	2205.20	2016.01	3	5
AVG SCH 5B	10	46067	214.63	0	2419.83	2304.01	5	5
AVG SCH 5B	11	41995	204.93	0	2624.76	2592.01	4	5
AVG SCH 5B	12	40618	201.54	0	2826.30	2592.01	0	5
AVG SCH 5B	13	40195	200.49	0	3026.79	2880.01	2	5
AVG SCH 5B	14	39453	198.63	0	3225.41	3168.01	1	5
AVG SCH 5B	15	39254	198.13	0	3423.54	3168.01	0	5
AVG SCH 5B	16	33377	182.69	0	3606.23	3456.01	3	5
AVG SCH 5B	17	33225	182.28	0	3788.51	3744.01	5	5
AVG SCH 5B	18	31758	178.21	0	3966.72	3744.01	0	5

Appendix A1
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Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 5B	19	28613	169.15	0	4135.87	4032.01	4	5
AVG SCH 5B	20	27170	164.83	0	4300.71	4032.01	0	5
AVG SCH 5B	21	23731	154.05	0	4454.76	4320.01	2	5
AVG SCH 5B	22	22316	149.39	0	4604.14	4320.01	0	5
AVG SCH 5B	23	21735	147.43	0	4751.57	4608.01	1	5
AVG SCH 5B	24	20864	144.44	0	4896.01	4608.01	0	5
AVG SCH 5C	1	324853	569.96	1	0.00	0.00	1	3
AVG SCH 5C	2	314364	560.68	1	0.00	0.00	3	3
AVG SCH 5C	3	202610	450.12	1	0.00	0.00	2	3
AVG SCH 5C	4	164601	405.71	1	0.00	0.00	1	3
AVG SCH 5C	5	146267	382.45	1	0.00	0.00	3	3
AVG SCH 5C	6	114111	337.80	1	0.00	0.00	2	3
AVG SCH 5C	7	112481	335.38	1	0.00	0.00	1	3
AVG SCH 5C	8	102752	320.55	1	0.00	0.00	3	3
AVG SCH 5C	9	100934	317.70	1	0.00	0.00	2	3
AVG SCH 5C	10	96511	310.66	1	0.00	0.00	1	3
AVG SCH 5C	11	85106	291.73	1	0.00	0.00	3	3
AVG SCH 8A	1	47859	218.77	1	0.00	0.00	5	5
AVG SCH 8A	2	45805	214.02	1	0.00	0.00	2	5
AVG SCH 8A	3	45471	213.24	1	0.00	0.00	3	5
AVG SCH 8A	4	45300	212.84	1	0.00	0.00	1	5
AVG SCH 8A	5	45225	212.66	1	0.00	0.00	4	5
AVG SCH 8A	6	44705	211.44	0	211.44	197.19	5	5
AVG SCH 8A	7	43227	207.91	0	419.35	408.81	2	5
AVG SCH 8A	8	42816	206.92	0	626.27	620.42	3	5
AVG SCH 8A	9	42642	206.50	0	832.77	832.03	1	5
AVG SCH 8A	10	42395	205.90	0	1038.67	832.03	0	5
AVG SCH 8A	11	41613	203.99	0	1242.66	1043.65	4	5
AVG SCH 8A	12	41425	203.53	0	1446.19	1255.26	5	5
AVG SCH 8A	13	40174	200.43	0	1646.63	1466.87	2	5
AVG SCH 8A	14	39009	197.51	0	1844.13	1678.49	3	5
AVG SCH 8A	15	38742	196.83	0	2040.96	1890.10	1	5
AVG SCH 8A	16	37308	193.15	0	2234.11	2101.71	4	5
AVG SCH 8A	17	35429	188.23	0	2422.34	2313.33	5	5
AVG SCH 8A	18	34979	187.03	0	2609.37	2524.94	2	5
AVG SCH 8A	19	33778	183.79	0	2793.16	2736.55	3	5
AVG SCH 8A	20	32094	179.15	0	2972.30	2948.17	1	5
AVG SCH 8A	21	31663	177.94	0	3150.24	2948.17	0	5
AVG SCH 8A	22	30931	175.87	0	3326.12	3159.78	4	5
AVG SCH 8A	23	30917	175.83	0	3501.95	3371.39	5	5
AVG SCH 8A	24	30726	175.29	0	3677.24	3583.01	2	5
AVG SCH 8A	25	30485	174.60	0	3851.84	3794.62	3	5
AVG SCH 8A	26	30023	173.27	0	4025.11	4006.23	1	5

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Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 8A	27	29699	172.33	0	4197.44	4006.23	0	5
AVG SCH 8A	28	28914	170.04	0	4367.48	4217.85	4	5
AVG SCH 8A	29	28010	167.36	0	4534.85	4429.46	5	5
AVG SCH 8A	30	27405	165.54	0	4700.39	4641.07	2	5
AVG SCH 8A	31	27233	165.02	0	4865.41	4852.69	3	5
AVG SCH 8A	32	27151	164.78	0	5030.19	4852.69	0	5
AVG SCH 8A	33	25944	161.07	0	5191.26	5064.30	1	5
AVG SCH 8A	34	25895	160.92	0	5352.18	5275.91	4	5
AVG SCH 8A	35	25660	160.19	0	5512.37	5487.53	5	5
AVG SCH 8A	36	25512	159.72	0	5672.09	5487.53	0	5
AVG SCH 8A	37	25346	159.20	0	5831.30	5699.14	2	5
AVG SCH 8A	38	24318	155.94	0	5987.24	5910.75	3	5
AVG SCH 8A	39	24146	155.39	0	6142.63	6122.37	1	5
AVG SCH 8A	40	24047	155.07	0	6297.70	6122.37	0	5
AVG SCH 8A	41	22447	149.82	0	6447.52	6333.98	4	5
AVG SCH 8A	42	22305	149.35	0	6596.87	6545.59	5	5
AVG SCH 8A	43	21501	146.63	0	6743.50	6545.59	0	5
AVG SCH 8A	44	21288	145.90	0	6889.41	6757.21	2	5
AVG SCH 8A	45	21041	145.06	0	7034.46	6968.82	3	5
AVG SCH 8A	46	20654	143.71	0	7178.18	6968.82	0	5
AVG SCH 8A	47	20640	143.67	0	7321.84	7180.43	1	5
AVG SCH 8A	48	20464	143.05	0	7464.90	7392.05	4	5
AVG SCH 8A	49	20287	142.43	0	7607.33	7603.66	5	5
AVG SCH 8A	50	19580	139.93	0	7747.26	7603.66	0	5
AVG SCH 8A	51	18607	136.41	0	7883.67	7815.27	2	5
AVG SCH 8A	52	18574	136.29	0	8019.95	7815.27	0	5
AVG SCH 8A	53	18505	136.03	0	8155.98	8026.89	3	5
AVG SCH 8A	54	17340	131.68	0	8287.67	8238.50	1	5
AVG SCH 8A	55	17211	131.19	0	8418.86	8238.50	0	5
AVG SCH 8A	56	16474	128.35	0	8547.21	8450.11	4	5
AVG SCH 8A	57	16472	128.34	0	8675.55	8661.73	5	5
AVG SCH 8A	58	16212	127.33	0	8802.88	8661.73	0	5
AVG SCH 8A	59	15898	126.09	0	8928.96	8873.34	2	5
AVG SCH 8A	60	15160	123.13	0	9052.09	8873.34	0	5
AVG SCH 8A	61	15058	122.71	0	9174.80	9084.95	3	5
AVG SCH 8A	62	14552	120.63	0	9295.43	9084.95	0	5
AVG SCH 8A	63	13918	117.97	0	9413.41	9296.57	1	5
AVG SCH 8A	64	13650	116.83	0	9530.24	9508.18	4	5
AVG SCH 8A	65	13633	116.76	0	9647.00	9508.18	0	5
AVG SCH 8A	66	13152	114.68	0	9761.68	9719.79	5	5
AVG SCH 8A	67	12320	111.00	0	9872.68	9719.79	0	5
AVG SCH 8A	68	12252	110.69	0	9983.37	9931.41	2	5
AVG SCH 8A	69	12091	109.96	0	10093.33	9931.41	0	5

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Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 8A	70	12003	109.56	0	10202.89	10143.02	3	5
AVG SCH 8A	71	11450	107.00	0	10309.89	10143.02	0	5
AVG SCH 8A	72	11397	106.76	0	10416.65	10354.63	1	5
AVG SCH 8A	73	11244	106.04	0	10522.68	10354.63	0	5
AVG SCH 8A	74	11014	104.95	0	10627.63	10566.25	4	5
AVG SCH 8A	75	9166	95.74	0	10723.37	10566.25	0	5
AVG SCH 8A	76	8498	92.18	0	10815.56	10777.86	5	5
AVG SCH 8A	77	8419	91.76	0	10907.31	10777.86	0	5
AVG SCH 8A	78	8305	91.13	0	10998.44	10989.47	2	5
AVG SCH 8A	79	6087	78.02	0	11076.46	10989.47	0	5
AVG SCH 8A	80	4887	69.91	0	11146.37	10989.47	0	5
AVG SCH 8A	81	4780	69.14	0	11215.51	11201.09	3	5
AVG SCH 8B	1	94143	306.83	0	306.83	209.00	1	5
AVG SCH 8B	2	93833	306.32	0	613.15	209.00	0	5
AVG SCH 8B	3	87584	295.95	0	909.09	748.97	3	5
AVG SCH 8B	4	87581	295.94	0	1205.04	748.97	0	5
AVG SCH 8B	5	86593	294.27	0	1499.30	1288.94	5	5
AVG SCH 8B	6	86522	294.15	0	1793.45	1288.94	0	5
AVG SCH 8B	7	85231	291.94	0	2085.39	1828.91	4	5
AVG SCH 8B	8	83708	289.32	0	2374.72	2368.88	2	5
AVG SCH 8B	9	83589	289.12	0	2663.83	2368.88	0	5
AVG SCH 8B	10	80660	284.01	0	2947.84	2908.85	1	5
AVG SCH 8B	11	79808	282.50	0	3230.34	2908.85	0	5
AVG SCH 8B	12	79738	282.38	0	3512.72	3448.82	3	5
AVG SCH 8B	13	79662	282.24	0	3794.97	3448.82	0	5
AVG SCH 8B	14	77260	277.96	0	4072.92	3988.79	5	5
AVG SCH 8B	15	73338	270.81	0	4343.73	3988.79	0	5
AVG SCH 8B	16	72547	269.35	0	4613.08	4528.76	4	5
AVG SCH 8B	17	71166	266.77	0	4879.85	4528.76	0	5
AVG SCH 8B	18	70988	266.44	0	5146.28	5068.73	2	5
AVG SCH 8B	19	69863	264.32	0	5410.60	5068.73	0	5
AVG SCH 8B	20	69682	263.97	0	5674.57	5608.71	1	5
AVG SCH 8B	21	68654	262.02	0	5936.59	5608.71	0	5
AVG SCH 8B	22	67431	259.67	0	6196.27	6148.68	3	5
AVG SCH 8B	23	66024	256.95	0	6453.22	6148.68	0	5
AVG SCH 8B	24	65045	255.04	0	6708.26	6688.65	5	5
AVG SCH 8B	25	61630	248.25	0	6956.51	6688.65	0	5
AVG SCH 8B	26	59240	243.39	0	7199.91	6688.65	0	5
AVG SCH 8B	27	59098	243.10	0	7443.01	7228.62	4	5
AVG SCH 8B	28	55185	234.91	0	7677.92	7228.62	0	5
AVG SCH 8B	29	53044	230.31	0	7908.23	7768.59	2	5
AVG SCH 8B	30	52689	229.54	0	8137.77	7768.59	0	5
AVG SCH 8B	31	52590	229.33	0	8367.10	8308.56	1	5

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Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
AVG SCH 8B	32	51850	227.71	0	8594.81	8308.56	0	5
AVG SCH 8B	33	51588	227.13	0	8821.94	8308.56	0	5
AVG SCH 8B	34	50622	224.99	0	9046.93	8848.53	3	5
AVG SCH 8B	35	50467	224.65	0	9271.58	8848.53	0	5
AVG SCH 8B	36	50186	224.02	0	9495.60	9388.50	5	5
AVG SCH 8B	37	50120	223.87	0	9719.48	9388.50	0	5
AVG SCH 8C	1	198596	445.64	0	445.64	153.95	4	5
AVG SCH 8C	2	195666	442.34	0	887.98	607.49	1	5
AVG SCH 8C	3	177260	421.02	0	1309.01	1061.03	3	5
AVG SCH 8C	4	171908	414.62	0	1723.62	1514.57	2	5
AVG SCH 8C	5	171696	414.36	0	2137.99	1968.11	5	5
AVG SCH 8C	6	161964	402.45	0	2540.43	2421.66	4	5
AVG SCH 8C	7	151755	389.56	0	2929.99	2875.20	1	5
AVG SCH 8C	8	151263	388.93	0	3318.92	2875.20	0	5
AVG SCH 8C	9	141944	376.75	0	3695.67	3328.74	3	5
AVG SCH 8C	10	133505	365.38	0	4061.05	3782.28	2	5
AVG SCH 8C	11	131270	362.31	0	4423.37	4235.82	5	5
AVG SCH 8C	12	128935	359.08	0	4782.44	4689.36	4	5
AVG SCH 8C	13	118062	343.60	0	5126.04	4689.36	0	5
AVG SCH 8C	14	116430	341.22	0	5467.26	5142.91	1	5
AVG SCH 8C	15	113923	337.52	0	5804.79	5596.45	3	5
AVG SCH 8C	16	113308	336.61	0	6141.40	6049.99	2	5
AVG SCH 8C	17	111563	334.01	0	6475.41	6049.99	0	5
AVG SCH 8C	18	107400	327.72	0	6803.13	6503.53	5	5
AVG SCH 8D	1	1145829	1070.43	1	0.00	0.00	2	2
AVG SCH 8D	2	625988	791.19	1	0.00	0.00	1	2
AVG SCH 8D	3	481357	693.80	1	0.00	0.00	2	2
AVG SCH 8D	4	410254	640.51	1	0.00	0.00	1	2
AVG SCH 8D	5	356947	597.45	1	0.00	0.00	2	2
AVG SCH 8D	6	352062	593.35	1	0.00	0.00	1	2
AVG SCH 8D	7	258474	508.40	1	0.00	0.00	2	2
COST 2	1	497201	705.12	1	0.00	0.00	1	2
COST 2	2	413810	643.28	1	0.00	0.00	2	2
COST 2	3	409875	640.21	1	0.00	0.00	1	2
COST 2	4	383391	619.19	1	0.00	0.00	2	2
COST 2	5	351521	592.89	1	0.00	0.00	1	2
COST 2	6	305164	552.42	1	0.00	0.00	2	2
COST 2	7	245910	495.89	1	0.00	0.00	1	2
COST 2	8	229369	478.92	1	0.00	0.00	2	2
COST 2	9	205208	453.00	1	0.00	0.00	1	2
COST 2	10	203069	450.63	1	0.00	0.00	2	2
COST 2	11	199175	446.29	1	0.00	0.00	1	2
COST 2	12	195783	442.47	1	0.00	0.00	2	2

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Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 2	13	187902	433.48	1	0.00	0.00	1	2
COST 2	14	154012	392.44	1	0.00	0.00	2	2
COST 2	15	152395	390.38	1	0.00	0.00	1	2
COST 2	16	133518	365.40	1	0.00	0.00	2	2
COST 2	17	131253	362.29	1	0.00	0.00	1	2
COST 2	18	122410	349.87	1	0.00	0.00	2	2
COST 2	19	121128	348.03	1	0.00	0.00	1	2
COST 2	20	97488	312.23	1	0.00	0.00	2	2
COST 2	21	96658	310.90	1	0.00	0.00	1	2
COST 2	22	93931	306.48	1	0.00	0.00	2	2
COST 2	23	90447	300.74	1	0.00	0.00	1	2
COST 2	24	84018	289.86	1	0.00	0.00	2	2
COST 2	25	81284	285.10	1	0.00	0.00	1	2
COST 2	26	72508	269.27	1	0.00	0.00	2	2
COST 2	27	69536	263.70	1	0.00	0.00	1	2
COST 2	28	68651	262.01	1	0.00	0.00	2	2
COST 2	29	66207	257.31	1	0.00	0.00	1	2
COST 2	30	55458	235.50	1	0.00	0.00	2	2
COST 2	31	51681	227.33	1	0.00	0.00	1	2
COST 2	32	51129	226.12	1	0.00	0.00	2	2
COST 2	33	47909	218.88	1	0.00	0.00	1	2
COST 2	34	43085	207.57	1	0.00	0.00	2	2
COST 2	35	42565	206.31	1	0.00	0.00	1	2
COST 2	36	41053	202.62	1	0.00	0.00	2	2
COST 2	37	39326	198.31	1	0.00	0.00	1	2
COST 2	38	36189	190.23	1	0.00	0.00	2	2
COST 2	39	35554	188.56	1	0.00	0.00	1	2
COST 2	40	29991	173.18	1	0.00	0.00	2	2
COST 2	41	25384	159.32	1	0.00	0.00	1	2
COST 2	42	24018	154.98	1	0.00	0.00	2	2
COST 2	43	23110	152.02	1	0.00	0.00	1	2
COST 2	44	20924	144.65	1	0.00	0.00	2	2
COST 2	45	20206	142.15	1	0.00	0.00	1	2
COST 2	46	19540	139.79	1	0.00	0.00	2	2
COST 2	47	18038	134.31	1	0.00	0.00	1	2
COST 2	48	13207	114.92	1	0.00	0.00	2	2
COST 2	49	12346	111.11	1	0.00	0.00	1	2
COST 2	50	10754	103.70	1	0.00	0.00	2	2
COST 2	51	8911	94.40	1	0.00	0.00	1	2
COST 2	52	6386	79.91	1	0.00	0.00	2	2
COST 2	53	6239	78.99	1	0.00	0.00	1	2
COST 2	54	4408	66.39	1	0.00	0.00	2	2
COST 2	55	4076	63.84	1	0.00	0.00	1	2

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Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 2	56	3970	63.01	1	0.00	0.00	2	2
COST 2	57	1846	42.97	1	0.00	0.00	1	2
COST 5	1	79056	281.17	1	0.00	0.00	4	5
COST 5	2	69529	263.68	1	0.00	0.00	2	5
COST 5	3	56260	237.19	1	0.00	0.00	3	5
COST 5	4	39275	198.18	1	0.00	0.00	1	5
COST 5	5	29036	170.40	0	170.40	131.53	5	5
COST 5	6	27147	164.76	0	335.16	314.37	4	5
COST 5	7	22598	150.33	0	485.49	314.37	0	5
COST 5	8	21154	145.44	0	630.93	497.21	2	5
COST 5	9	20640	143.67	0	774.60	680.05	3	5
COST 5	10	20462	143.05	0	917.65	862.89	1	5
COST 5	11	18030	134.28	0	1051.92	1045.73	5	5
COST 5	12	16594	128.82	0	1180.74	1045.73	0	5
COST 5	13	13640	116.79	0	1297.53	1228.57	4	5
COST 5	14	12939	113.75	0	1411.28	1228.57	0	5
COST 5	15	12709	112.73	0	1524.01	1411.41	2	5
COST 5	16	12321	111.00	0	1635.01	1594.25	3	5
COST 5	17	12157	110.26	0	1745.27	1594.25	0	5
COST 5	18	9716	98.57	0	1843.84	1777.09	1	5
COST 5	19	7664	87.54	0	1931.39	1777.09	0	5
COST 5	20	6375	79.84	0	2011.23	1959.92	5	5
COST 7	1	160992	401.24	1	0.00	0.00	1	5
COST 7	2	111233	333.52	1	0.00	0.00	3	5
COST 7	3	85233	291.95	1	0.00	0.00	2	5
COST 7	4	66689	258.24	1	0.00	0.00	4	5
COST 7	5	62111	249.22	0	249.22	65.91	5	5
COST 7	6	53466	231.23	0	480.45	318.27	1	5
COST 7	7	44083	209.96	0	690.41	570.64	3	5
COST 7	8	43842	209.38	0	899.79	823.00	2	5
COST 7	9	42022	204.99	0	1104.78	1075.36	4	5
COST 7	10	40094	200.23	0	1305.02	1075.36	0	5
COST 7	11	40054	200.13	0	1505.15	1327.72	5	5
COST 7	12	39518	198.79	0	1703.95	1580.09	1	5
COST 7	13	39160	197.89	0	1901.83	1832.45	3	5
COST 7	14	33844	183.97	0	2085.80	2084.81	2	5
COST 7	15	30182	173.73	0	2259.53	2084.81	0	5
COST 7	16	29756	172.50	0	2432.03	2337.17	4	5
COST 7	17	29387	171.43	0	2603.46	2589.54	5	5
COST 7	18	29165	170.78	0	2774.24	2589.54	0	5
COST 7	19	24960	157.99	0	2932.22	2841.90	1	5
COST 7	20	24486	156.48	0	3088.70	2841.90	0	5
COST 7	21	24160	155.43	0	3244.14	3094.26	3	5

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 7	22	23092	151.96	0	3396.10	3346.62	2	5
COST 7	23	22596	150.32	0	3546.42	3346.62	0	5
COST 7	24	22241	149.13	0	3695.55	3598.99	4	5
COST 7	25	22177	148.92	0	3844.47	3598.99	0	5
COST 7	26	21978	148.25	0	3992.72	3851.35	5	5
COST 7	27	21975	148.24	0	4140.96	4103.71	1	5
COST 7	28	21946	148.14	0	4289.10	4103.71	0	5
COST 7	29	21720	147.38	0	4436.48	4356.07	3	5
COST 7	30	20751	144.05	0	4580.53	4356.07	0	5
COST 7	31	20391	142.80	0	4723.33	4608.44	2	5
COST 7	32	19950	141.24	0	4864.57	4860.80	4	5
COST 7	33	19029	137.95	0	5002.52	4860.80	0	5
COST 7	34	18762	136.97	0	5139.49	5113.16	5	5
COST 7	35	17436	132.05	0	5271.54	5113.16	0	5
COST 7	36	16523	128.54	0	5400.08	5365.52	1	5
COST 7	37	16323	127.76	0	5527.84	5365.52	0	5
COST 7	38	16079	126.80	0	5654.65	5617.89	3	5
COST 7	39	15982	126.42	0	5781.07	5617.89	0	5
COST 7	40	15834	125.83	0	5906.90	5870.25	2	5
COST 7	41	15326	123.80	0	6030.70	5870.25	0	5
COST 7	42	15271	123.58	0	6154.27	6122.61	4	5
COST 7	43	15020	122.56	0	6276.83	6122.61	0	5
COST 7	44	14833	121.79	0	6398.62	6374.97	5	5
COST 7	45	13847	117.67	0	6516.29	6374.97	0	5
COST 7	46	13542	116.37	0	6632.66	6627.34	1	5
COST 7	47	13459	116.01	0	6748.68	6627.34	0	5
COST 7	48	12733	112.84	0	6861.52	6627.34	0	5
COST 7	49	12632	112.39	0	6973.91	6879.70	3	5
COST 7	50	11720	108.26	0	7082.17	6879.70	0	5
COST 7	51	11359	106.58	0	7188.75	7132.06	2	5
COST 7	52	11110	105.40	0	7294.15	7132.06	0	5
COST 7	53	10930	104.55	0	7398.70	7384.42	4	5
COST 7	54	10591	102.91	0	7501.61	7384.42	0	5
COST 7	55	10489	102.42	0	7604.03	7384.42	0	5
COST 7	56	10291	101.44	0	7705.47	7636.79	5	5
COST 7	57	10105	100.52	0	7805.99	7636.79	0	5
COST 7	58	9484	97.39	0	7903.38	7889.15	1	5
COST 7	59	9377	96.83	0	8000.21	7889.15	0	5
COST 7	60	9230	96.07	0	8096.29	7889.15	0	5
COST 7	61	8906	94.37	0	8190.66	8141.51	3	5
COST 7	62	8604	92.76	0	8283.42	8141.51	0	5
COST 7	63	7600	87.18	0	8370.59	8141.51	0	5
COST 7	64	7221	84.98	0	8455.57	8393.87	2	5

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 7	65	6833	82.66	0	8538.23	8393.87	0	5
COST 7	66	6813	82.54	0	8620.77	8393.87	0	5
COST 7	67	6476	80.47	0	8701.25	8646.24	4	5
COST 7	68	5942	77.08	0	8778.33	8646.24	0	5
COST 7	69	5856	76.52	0	8854.86	8646.24	0	5
COST 7	70	5474	73.99	0	8928.84	8898.60	5	5
COST 7	71	4933	70.24	0	8999.08	8898.60	0	5
COST 7	72	4246	65.16	0	9064.24	8898.60	0	5
COST 7	73	4098	64.02	0	9128.25	8898.60	0	5
COST 7	74	4018	63.39	0	9191.64	9150.96	1	5
COST 7	75	3516	59.30	0	9250.94	9150.96	0	5
COST 7	76	3447	58.71	0	9309.65	9150.96	0	5
COST 7	77	2947	54.29	0	9363.94	9150.96	0	5
COST 7	78	2596	50.95	0	9414.89	9403.32	3	5
COST 7	79	2502	50.02	0	9464.91	9403.32	0	5
COST 7	80	2451	49.51	0	9514.41	9403.32	0	5
COST 7	81	2386	48.85	0	9563.26	9403.32	0	5
COST 7	82	703	26.51	0	9589.78	9403.32	0	5
COST 8	1	497976	705.67	1	0.00	0.00	3	5
COST 8	2	373888	611.46	1	0.00	0.00	2	5
COST 8	3	270453	520.05	1	0.00	0.00	1	5
COST 8	4	245987	495.97	1	0.00	0.00	4	5
COST 8	5	226728	476.16	1	0.00	0.00	5	5
COST 8	6	220807	469.90	1	0.00	0.00	3	5
COST 8	7	211188	459.55	1	0.00	0.00	2	5
COST 8	8	168365	410.32	1	0.00	0.00	1	5
COST 8	9	163330	404.14	1	0.00	0.00	4	5
COST 8	10	160324	400.40	1	0.00	0.00	5	5
COST 8	11	147335	383.84	1	0.00	0.00	3	5
COST 8	12	133315	365.12	1	0.00	0.00	2	5
COST 8	13	125615	354.42	1	0.00	0.00	1	5
COST 8	14	120018	346.44	1	0.00	0.00	4	5
COST 8	15	119458	345.63	1	0.00	0.00	5	5
COST 8	16	117340	342.55	1	0.00	0.00	3	5
COST 8	17	90958	301.59	1	0.00	0.00	2	5
COST 8	18	81070	284.73	1	0.00	0.00	1	5
COST 8	19	79957	282.77	1	0.00	0.00	4	5
COST 8	20	79756	282.41	1	0.00	0.00	5	5
COST 8	21	77143	277.75	1	0.00	0.00	3	5
COST 8	22	74612	273.15	1	0.00	0.00	2	5
COST 8	23	74413	272.79	1	0.00	0.00	1	5
COST 8	24	72007	268.34	1	0.00	0.00	4	5
COST 8	25	68415	261.56	1	0.00	0.00	5	5

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 8	26	67544	259.89	1	0.00	0.00	3	5
COST 8	27	67029	258.90	1	0.00	0.00	2	5
COST 8	28	66838	258.53	1	0.00	0.00	1	5
COST 8	29	63594	252.18	1	0.00	0.00	4	5
COST 8	30	63355	251.70	1	0.00	0.00	5	5
COST 8	31	61696	248.39	1	0.00	0.00	3	5
COST 8	32	59797	244.53	1	0.00	0.00	2	5
COST 8	33	58414	241.69	1	0.00	0.00	1	5
COST 8	34	58058	240.95	1	0.00	0.00	4	5
COST 8	35	53639	231.60	1	0.00	0.00	5	5
COST 8	36	50962	225.75	1	0.00	0.00	3	5
COST 8	37	47248	217.37	1	0.00	0.00	2	5
COST 8	38	46241	215.04	1	0.00	0.00	1	5
COST 8	39	38835	197.07	1	0.00	0.00	4	5
COST 8	40	37565	193.82	1	0.00	0.00	5	5
COST 8	41	36858	191.98	1	0.00	0.00	3	5
COST 8	42	35265	187.79	1	0.00	0.00	2	5
COST 8	43	34554	185.89	1	0.00	0.00	1	5
COST 8	44	33224	182.27	1	0.00	0.00	4	5
COST 8	45	32281	179.67	1	0.00	0.00	5	5
COST 8	46	30488	174.61	1	0.00	0.00	3	5
COST 8	47	30367	174.26	1	0.00	0.00	2	5
COST 8	48	29893	172.90	1	0.00	0.00	1	5
COST 8	49	28674	169.33	1	0.00	0.00	4	5
COST 8	50	23479	153.23	1	0.00	0.00	5	5
COST 8	51	22586	150.29	1	0.00	0.00	3	5
COST 8	52	22227	149.09	1	0.00	0.00	2	5
COST 8	53	21864	147.86	1	0.00	0.00	1	5
COST 8	54	19303	138.94	1	0.00	0.00	4	5
COST 8	55	17776	133.33	1	0.00	0.00	5	5
COST 8	56	15775	125.60	1	0.00	0.00	3	5
COST 8	57	14916	122.13	1	0.00	0.00	2	5
COST 8	58	14573	120.72	1	0.00	0.00	1	5
COST 8	59	14388	119.95	1	0.00	0.00	4	5
COST 8	60	12812	113.19	1	0.00	0.00	5	5
COST 8	61	12700	112.69	1	0.00	0.00	3	5
COST 8	62	11083	105.28	1	0.00	0.00	2	5
COST 8	63	10529	102.61	1	0.00	0.00	1	5
COST 8	64	10302	101.50	1	0.00	0.00	4	5
COST 8	65	9873	99.36	1	0.00	0.00	5	5
COST 8	66	9315	96.51	1	0.00	0.00	3	5
COST 8	67	8815	93.89	1	0.00	0.00	2	5
COST 8	68	5827	76.33	1	0.00	0.00	1	5

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2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 8	69	5641	75.11	1	0.00	0.00	4	5
COST 8	70	5192	72.06	1	0.00	0.00	5	5
COST 8	71	4617	67.95	1	0.00	0.00	3	5
COST 8	72	4616	67.94	1	0.00	0.00	2	5
COST 8	73	4540	67.38	1	0.00	0.00	1	5
COST 8	74	4206	64.85	1	0.00	0.00	4	5
COST 8	75	3834	61.92	1	0.00	0.00	5	5
COST 8	76	3268	57.17	1	0.00	0.00	3	5
COST 1A	1	48467	220.15	0	220.15	191.13	5	5
COST 1A	2	44341	210.57	0	430.73	191.13	0	5
COST 1A	3	43026	207.43	0	638.15	473.66	2	5
COST 1A	4	39777	199.44	0	837.59	756.20	3	5
COST 1A	5	35996	189.73	0	1027.32	756.20	0	5
COST 1A	6	34974	187.01	0	1214.33	1038.73	1	5
COST 1A	7	32515	180.32	0	1394.65	1321.27	4	5
COST 1A	8	31659	177.93	0	1572.58	1321.27	0	5
COST 1A	9	31248	176.77	0	1749.35	1603.80	5	5
COST 1A	10	31200	176.64	0	1925.99	1886.34	2	5
COST 1A	11	27901	167.04	0	2093.02	1886.34	0	5
COST 1A	12	27652	166.29	0	2259.31	2168.87	3	5
COST 1A	13	23223	152.39	0	2411.70	2168.87	0	5
COST 1A	14	22867	151.22	0	2562.92	2451.41	1	5
COST 1A	15	20853	144.41	0	2707.33	2451.41	0	5
COST 1A	16	15544	124.68	0	2832.00	2733.94	4	5
COST 1A	17	15526	124.60	0	2956.61	2733.94	0	5
COST 1A	18	11423	106.88	0	3063.49	3016.47	5	5
COST 1A	19	11001	104.89	0	3168.37	3016.47	0	5
COST 1A	20	9482	97.38	0	3265.75	3016.47	0	5
COST 1A	21	9024	94.99	0	3360.74	3299.01	2	5
COST 1A	22	8323	91.23	0	3451.97	3299.01	0	5
COST 1A	23	7851	88.61	0	3540.58	3299.01	0	5
COST 1A	24	7585	87.09	0	3627.67	3581.54	3	5
COST 1A	25	6969	83.48	0	3711.15	3581.54	0	5
COST 1A	26	6597	81.22	0	3792.37	3581.54	0	5
COST 1A	27	5830	76.35	0	3868.73	3864.08	1	5
COST 1A	28	5130	71.62	0	3940.35	3864.08	0	5
COST 1A	29	5028	70.91	0	4011.26	3864.08	0	5
COST 1A	30	4978	70.55	0	4081.81	3864.08	0	5
COST 1A	31	4942	70.30	0	4152.11	4146.61	4	5
COST 1A	32	4180	64.65	0	4216.77	4146.61	0	5
COST 1A	33	4018	63.39	0	4280.15	4146.61	0	5
COST 1A	34	3856	62.10	0	4342.25	4146.61	0	5
COST 1A	35	3723	61.02	0	4403.27	4146.61	0	5

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Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 1A	36	3540	59.50	0	4462.77	4429.15	5	5
COST 1A	37	3339	57.78	0	4520.55	4429.15	0	5
COST 1B	1	197463	444.37	1	0.00	0.00	1	5
COST 1B	2	191562	437.68	1	0.00	0.00	4	5
COST 1B	3	174056	417.20	1	0.00	0.00	5	5
COST 1B	4	171047	413.58	1	0.00	0.00	3	5
COST 1B	5	168200	410.12	1	0.00	0.00	2	5
COST 1B	6	151985	389.85	1	0.00	0.00	1	5
COST 1B	7	141499	376.16	1	0.00	0.00	4	5
COST 1B	8	118770	344.63	1	0.00	0.00	5	5
COST 1B	9	115857	340.38	1	0.00	0.00	3	5
COST 1B	10	102556	320.24	0	320.24	219.07	2	5
COST 1B	11	100755	317.42	0	637.66	555.72	1	5
COST 1B	12	98636	314.06	0	951.73	892.36	4	5
COST 1B	13	94039	306.66	0	1258.38	1229.00	5	5
COST 1B	14	75269	274.35	0	1532.74	1229.00	0	5
COST 1B	15	64212	253.40	0	1786.14	1565.65	3	5
COST 1B	16	54627	233.72	0	2019.86	1902.29	2	5
COST 1C	1	1151190	1072.94	1	0.00	0.00	1	4
COST 1C	2	1042188	1020.88	1	0.00	0.00	4	4
COST 1C	3	928689	963.69	1	0.00	0.00	3	4
COST 1C	4	831969	912.12	1	0.00	0.00	2	4
COST 1C	5	656493	810.24	1	0.00	0.00	1	4
COST 1C	6	645411	803.37	1	0.00	0.00	4	4
COST 1C	7	622902	789.24	1	0.00	0.00	3	4
COST 1C	8	552337	743.19	1	0.00	0.00	2	4
COST 1C	9	438466	662.17	1	0.00	0.00	1	4
COST 1C	10	434717	659.33	1	0.00	0.00	4	4
COST 1C	11	424277	651.37	1	0.00	0.00	3	4
COST 1C	12	385748	621.09	1	0.00	0.00	2	4
COST 1C	13	336440	580.03	1	0.00	0.00	1	4
COST 1C	14	315617	561.80	1	0.00	0.00	4	4
COST 1C	15	309934	556.72	1	0.00	0.00	3	4
COST 1C	16	304344	551.67	1	0.00	0.00	2	4
COST 1C	17	298428	546.29	1	0.00	0.00	1	4
COST 1C	18	247515	497.51	1	0.00	0.00	4	4
COST 1C	19	242092	492.03	1	0.00	0.00	3	4
COST 3A	1	194779	441.34	0	441.34	145.28	1	5
COST 3A	2	193172	439.51	0	880.85	670.91	3	5
COST 3A	3	184068	429.03	0	1309.88	1196.54	5	5
COST 3A	4	179499	423.67	0	1733.56	1722.17	2	5
COST 3A	5	172520	415.36	0	2148.91	1722.17	0	5
COST 3A	6	168421	410.39	0	2559.30	2247.80	4	5

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Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 3A	7	164065	405.05	0	2964.35	2773.43	1	5
COST 3A	8	163802	404.72	0	3369.08	3299.06	3	5
COST 3A	9	143885	379.32	0	3748.40	3299.06	0	5
COST 3A	10	138847	372.62	0	4121.02	3824.69	5	5
COST 3A	11	130100	360.69	0	4481.71	4350.32	2	5
COST 3A	12	130003	360.56	0	4842.27	4350.32	0	5
COST 3A	13	121530	348.61	0	5190.88	4875.95	4	5
COST 3A	14	120997	347.85	0	5538.73	5401.58	1	5
COST 3A	15	107190	327.40	0	5866.13	5401.58	0	5
COST 3A	16	104778	323.69	0	6189.82	5927.21	3	5
COST 3A	17	87137	295.19	0	6485.01	6452.84	5	5
COST 3A	18	74135	272.28	0	6757.29	6452.84	0	5
COST 3A	19	65016	254.98	0	7012.27	6978.47	2	5
COST 3A	20	63485	251.96	0	7264.24	6978.47	0	5
COST 3A	21	62154	249.31	0	7513.54	7504.10	4	5
COST 3A	22	52702	229.57	0	7743.11	7504.10	0	5
COST 3A	23	19977	141.34	0	7884.45	7504.10	0	5
COST 3B	1	1181009	1086.74	1	0.00	0.00	3	3
COST 3B	2	1026119	1012.98	1	0.00	0.00	1	3
COST 3B	3	875404	935.63	1	0.00	0.00	2	3
COST 3B	4	633621	796.00	1	0.00	0.00	3	3
COST 3B	5	574025	757.64	1	0.00	0.00	1	3
COST 3B	6	448500	669.70	1	0.00	0.00	2	3
COST 3B	7	442362	665.10	1	0.00	0.00	3	3
COST 3B	8	434150	658.90	1	0.00	0.00	1	3
COST 3B	9	410641	640.81	1	0.00	0.00	2	3
COST 3B	10	282411	531.42	1	0.00	0.00	3	3
COST 3B	11	273602	523.07	1	0.00	0.00	1	3
COST 3B	12	257445	507.39	1	0.00	0.00	2	3
COST 3B	13	256192	506.15	1	0.00	0.00	3	3
COST 3B	14	222058	471.23	1	0.00	0.00	1	3
COST 4A	1	199530	446.69	0	446.69	343.77	3	5
COST 4A	2	199171	446.29	0	892.97	819.55	2	5
COST 4A	3	187014	432.45	0	1325.42	1295.32	1	5
COST 4A	4	170632	413.08	0	1738.50	1295.32	0	5
COST 4A	5	170236	412.60	0	2151.10	1771.09	5	5
COST 4A	6	169487	411.69	0	2562.79	2246.87	4	5
COST 4A	7	167725	409.54	0	2972.33	2722.64	3	5
COST 4A	8	160747	400.93	0	3373.26	3198.41	2	5
COST 4A	9	157392	396.73	0	3769.99	3674.18	1	5
COST 4A	10	142898	378.02	0	4148.01	3674.18	0	5
COST 4A	11	133792	365.78	0	4513.78	4149.96	5	5
COST 4A	12	132345	363.79	0	4877.57	4625.73	4	5

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 4A	13	131100	362.08	0	5239.65	5101.50	3	5
COST 4A	14	124512	352.86	0	5592.51	5577.28	2	5
COST 4A	15	116769	341.71	0	5934.23	5577.28	0	5
COST 4A	16	114966	339.07	0	6273.30	6053.05	1	5
COST 4A	17	105782	325.24	0	6598.54	6528.82	5	5
COST 4A	18	104980	324.01	0	6922.54	6528.82	0	5
COST 4A	19	103826	322.22	0	7244.76	7004.59	4	5
COST 4A	20	98329	313.57	0	7558.34	7480.37	3	5
COST 4A	21	98005	313.06	0	7871.40	7480.37	0	5
COST 4A	22	96718	311.00	0	8182.39	7956.14	2	5
COST 4A	23	95923	309.71	0	8492.11	8431.91	1	5
COST 4A	24	95871	309.63	0	8801.74	8431.91	0	5
COST 4A	25	94115	306.78	0	9108.52	8907.69	5	5
COST 4A	26	89384	298.97	0	9407.49	9383.46	4	5
COST 4A	27	79642	282.21	0	9689.70	9383.46	0	5
COST 4A	28	78518	280.21	0	9969.91	9859.23	3	5
COST 4A	29	75471	274.72	0	10244.63	9859.23	0	5
COST 4A	30	75425	274.64	0	10519.26	10335.00	2	5
COST 4A	31	70794	266.07	0	10785.34	10335.00	0	5
COST 4A	32	67686	260.17	0	11045.50	10810.78	1	5
COST 4A	33	66120	257.14	0	11302.64	11286.55	5	5
COST 4A	34	63754	252.50	0	11555.13	11286.55	0	5
COST 4A	35	60045	245.04	0	11800.18	11762.32	4	5
COST 4A	36	58728	242.34	0	12042.51	11762.32	0	5
COST 4A	37	57689	240.19	0	12282.70	12238.10	3	5
COST 4A	38	55969	236.58	0	12519.28	12238.10	0	5
COST 4A	39	54654	233.78	0	12753.06	12713.87	2	5
COST 4A	40	54268	232.95	0	12986.01	12713.87	0	5
COST 4A	41	52278	228.64	0	13214.66	13189.64	1	5
COST 4A	42	46522	215.69	0	13430.35	13189.64	0	5
COST 4A	43	46454	215.53	0	13645.88	13189.64	0	5
COST 4A	44	45846	214.12	0	13860.00	13665.41	5	5
COST 4A	45	36102	190.01	0	14050.00	13665.41	0	5
COST 4A	46	19988	141.38	0	14191.38	14141.19	4	5
COST 4A	47	6692	81.80	0	14273.19	14141.19	0	5
COST 4B	1	1029631	1014.71	1	0.00	0.00	2	4
COST 4B	2	627370	792.07	1	0.00	0.00	4	4
COST 4B	3	598847	773.85	1	0.00	0.00	1	4
COST 4B	4	513461	716.56	1	0.00	0.00	3	4
COST 4B	5	501434	708.12	1	0.00	0.00	2	4
COST 4B	6	451016	671.58	1	0.00	0.00	4	4
COST 4B	7	424714	651.70	1	0.00	0.00	1	4
COST 4B	8	417582	646.21	1	0.00	0.00	3	4

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 4B	9	320872	566.46	1	0.00	0.00	2	4
COST 4B	10	312466	558.99	1	0.00	0.00	4	4
COST 4B	11	268479	518.15	1	0.00	0.00	1	4
COST 4B	12	254958	504.93	1	0.00	0.00	3	4
COST 4B	13	243002	492.95	1	0.00	0.00	2	4
COST 4B	14	222475	471.67	1	0.00	0.00	4	4
COST 4B	15	221814	470.97	1	0.00	0.00	1	4
COST 4B	16	217931	466.83	1	0.00	0.00	3	4
COST 4B	17	213836	462.42	1	0.00	0.00	2	4
COST 4B	18	209903	458.15	1	0.00	0.00	4	4
COST 4B	19	206963	454.93	1	0.00	0.00	1	4
COST 6A	1	195939	442.65	1	0.00	0.00	5	5
COST 6A	2	184342	429.35	1	0.00	0.00	3	5
COST 6A	3	181656	426.21	1	0.00	0.00	2	5
COST 6A	4	180662	425.04	1	0.00	0.00	1	5
COST 6A	5	170357	412.74	1	0.00	0.00	4	5
COST 6A	6	169650	411.89	1	0.00	0.00	5	5
COST 6A	7	166271	407.76	1	0.00	0.00	3	5
COST 6A	8	157649	397.05	1	0.00	0.00	2	5
COST 6A	9	156853	396.05	1	0.00	0.00	1	5
COST 6A	10	153146	391.34	1	0.00	0.00	4	5
COST 6A	11	147101	383.54	1	0.00	0.00	5	5
COST 6A	12	145324	381.21	1	0.00	0.00	3	5
COST 6A	13	140075	374.27	1	0.00	0.00	2	5
COST 6A	14	139522	373.53	1	0.00	0.00	1	5
COST 6A	15	138303	371.89	1	0.00	0.00	4	5
COST 6A	16	135019	367.45	1	0.00	0.00	5	5
COST 6A	17	132240	363.65	1	0.00	0.00	3	5
COST 6A	18	132149	363.52	1	0.00	0.00	2	5
COST 6A	19	128028	357.81	1	0.00	0.00	1	5
COST 6A	20	126773	356.05	1	0.00	0.00	4	5
COST 6A	21	122979	350.68	1	0.00	0.00	5	5
COST 6A	22	120597	347.27	0	347.27	173.28	3	5
COST 6A	23	119649	345.90	0	693.17	520.75	2	5
COST 6A	24	117586	342.91	0	1036.08	868.21	1	5
COST 6A	25	115529	339.90	0	1375.98	1215.68	4	5
COST 6A	26	115077	339.23	0	1715.21	1563.14	5	5
COST 6A	27	114083	337.76	0	2052.97	1910.61	3	5
COST 6A	28	113021	336.19	0	2389.16	2258.07	2	5
COST 6A	29	112646	335.63	0	2724.78	2605.54	1	5
COST 6A	30	109950	331.59	0	3056.37	2953.00	4	5
COST 6A	31	108578	329.51	0	3385.88	3300.47	5	5
COST 6A	32	107793	328.32	0	3714.20	3647.93	3	5

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 6A	33	107578	327.99	0	4042.19	3995.40	2	5
COST 6A	34	107285	327.54	0	4369.74	4342.86	1	5
COST 6A	35	107276	327.53	0	4697.27	4690.33	4	5
COST 6A	36	101458	318.52	0	5015.79	4690.33	0	5
COST 6A	37	101198	318.12	0	5333.91	5037.79	5	5
COST 6A	38	101042	317.87	0	5651.78	5385.26	3	5
COST 6A	39	99927	316.11	0	5967.89	5732.72	2	5
COST 6A	40	99916	316.09	0	6283.98	6080.19	1	5
COST 6A	41	99493	315.43	0	6599.41	6427.65	4	5
COST 6A	42	97957	312.98	0	6912.39	6775.12	5	5
COST 6A	43	95552	309.11	0	7221.51	7122.58	3	5
COST 6A	44	94801	307.90	0	7529.40	7470.05	2	5
COST 6A	45	93849	306.35	0	7835.75	7817.51	1	5
COST 6A	46	93062	305.06	0	8140.81	7817.51	0	5
COST 6A	47	92000	303.32	0	8444.13	8164.98	4	5
COST 6A	48	90969	301.61	0	8745.74	8512.44	5	5
COST 6A	49	88477	297.45	0	9043.19	8859.91	3	5
COST 6A	50	84730	291.08	0	9334.27	9207.37	2	5
COST 6A	51	84094	289.99	0	9624.26	9554.84	1	5
COST 6A	52	83193	288.43	0	9912.69	9902.30	4	5
COST 6A	53	78887	280.87	0	10193.56	9902.30	0	5
COST 6A	54	78741	280.61	0	10474.17	10249.77	5	5
COST 6A	55	78079	279.43	0	10753.60	10597.23	3	5
COST 6A	56	75415	274.62	0	11028.21	10944.70	2	5
COST 6A	57	74786	273.47	0	11301.69	11292.16	1	5
COST 6A	58	74378	272.72	0	11574.41	11292.16	0	5
COST 6A	59	73811	271.68	0	11846.09	11639.63	4	5
COST 6A	60	73515	271.14	0	12117.23	11987.09	5	5
COST 6A	61	73493	271.10	0	12388.32	12334.56	3	5
COST 6A	62	70385	265.30	0	12653.62	12334.56	0	5
COST 6A	63	64356	253.68	0	12907.31	12682.02	2	5
COST 6A	64	63899	252.78	0	13160.09	13029.49	1	5
COST 6A	65	63873	252.73	0	13412.82	13376.95	4	5
COST 6A	66	63866	252.72	0	13665.54	13376.95	0	5
COST 6A	67	63012	251.02	0	13916.56	13724.42	5	5
COST 6A	68	61227	247.44	0	14164.00	14071.88	3	5
COST 6A	69	60862	246.70	0	14410.70	14071.88	0	5
COST 6A	70	59046	242.99	0	14653.70	14419.35	2	5
COST 6A	71	57772	240.36	0	14894.06	14766.81	1	5
COST 6A	72	57550	239.90	0	15133.95	15114.28	4	5
COST 6A	73	56296	237.27	0	15371.22	15114.28	0	5
COST 6A	74	56090	236.83	0	15608.05	15461.74	5	5
COST 6A	75	55908	236.45	0	15844.50	15809.21	3	5

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Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 6A	76	55373	235.31	0	16079.82	15809.21	0	5
COST 6A	77	55154	234.85	0	16314.67	16156.67	2	5
COST 6A	78	55082	234.70	0	16549.36	16504.14	1	5
COST 6A	79	54932	234.38	0	16783.74	16504.14	0	5
COST 6A	80	54597	233.66	0	17017.40	16851.60	4	5
COST 6A	81	54487	233.42	0	17250.82	17199.07	5	5
COST 6A	82	54352	233.14	0	17483.96	17199.07	0	5
COST 6A	83	53922	232.21	0	17716.17	17546.53	3	5
COST 6A	84	53449	231.19	0	17947.36	17894.00	2	5
COST 6A	85	53135	230.51	0	18177.87	17894.00	0	5
COST 6A	86	52159	228.38	0	18406.25	18241.46	1	5
COST 6A	87	52088	228.23	0	18634.48	18588.93	4	5
COST 6A	88	50648	225.05	0	18859.53	18588.93	0	5
COST 6A	89	50072	223.77	0	19083.30	18936.39	5	5
COST 6A	90	47967	219.01	0	19302.31	19283.86	3	5
COST 6A	91	47339	217.58	0	19519.89	19283.86	0	5
COST 6A	92	46991	216.77	0	19736.66	19631.32	2	5
COST 6A	93	46782	216.29	0	19952.95	19631.32	0	5
COST 6A	94	45754	213.90	0	20166.86	19978.79	1	5
COST 6A	95	45373	213.01	0	20379.86	20326.25	4	5
COST 6A	96	44981	212.09	0	20591.95	20326.25	0	5
COST 6A	97	44944	212.00	0	20803.95	20673.72	5	5
COST 6A	98	44717	211.46	0	21015.42	20673.72	0	5
COST 6A	99	44182	210.20	0	21225.61	21021.18	3	5
COST 6A	100	43585	208.77	0	21434.38	21368.65	2	5
COST 6A	101	43525	208.63	0	21643.01	21368.65	0	5
COST 6A	102	43467	208.49	0	21851.50	21716.11	1	5
COST 6A	103	43414	208.36	0	22059.86	21716.11	0	5
COST 6A	104	41920	204.74	0	22264.60	22063.58	4	5
COST 6A	105	40488	201.22	0	22465.82	22411.04	5	5
COST 6A	106	39697	199.24	0	22665.06	22411.04	0	5
COST 6A	107	39404	198.50	0	22863.56	22758.51	3	5
COST 6A	108	39368	198.41	0	23061.97	22758.51	0	5
COST 6A	109	39096	197.73	0	23259.70	23105.97	2	5
COST 6A	110	38776	196.92	0	23456.62	23453.44	1	5
COST 6A	111	38034	195.02	0	23651.64	23453.44	0	5
COST 6A	112	37718	194.21	0	23845.85	23800.90	4	5
COST 6A	113	37658	194.06	0	24039.91	23800.90	0	5
COST 6A	114	36517	191.09	0	24231.00	24148.37	5	5
COST 6A	115	36140	190.11	0	24421.11	24148.37	0	5
COST 6A	116	34705	186.29	0	24607.40	24495.83	3	5
COST 6A	117	34549	185.87	0	24793.27	24495.83	0	5
COST 6A	118	33950	184.26	0	24977.53	24843.30	2	5

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Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 6A	119	33414	182.79	0	25160.33	24843.30	0	5
COST 6A	120	33279	182.43	0	25342.75	25190.76	1	5
COST 6A	121	33119	181.99	0	25524.74	25190.76	0	5
COST 6A	122	32402	180.01	0	25704.74	25538.23	4	5
COST 6A	123	30580	174.87	0	25879.61	25538.23	0	5
COST 6A	124	30457	174.52	0	26054.13	25885.69	5	5
COST 6A	125	30184	173.74	0	26227.87	25885.69	0	5
COST 6A	126	29877	172.85	0	26400.72	26233.16	3	5
COST 6A	127	29654	172.20	0	26572.92	26233.16	0	5
COST 6A	128	28839	169.82	0	26742.74	26580.62	2	5
COST 6A	129	28768	169.61	0	26912.35	26580.62	0	5
COST 6A	130	26931	164.11	0	27076.46	26928.09	1	5
COST 6A	131	26346	162.31	0	27238.77	26928.09	0	5
COST 6A	132	26178	161.80	0	27400.57	27275.55	4	5
COST 6A	133	25759	160.50	0	27561.07	27275.55	0	5
COST 6A	134	25745	160.45	0	27721.52	27623.02	5	5
COST 6A	135	24614	156.89	0	27878.41	27623.02	0	5
COST 6A	136	23820	154.34	0	28032.74	27970.48	3	5
COST 6A	137	22640	150.47	0	28183.21	27970.48	0	5
COST 6A	138	21925	148.07	0	28331.28	28317.95	2	5
COST 6A	139	20996	144.90	0	28476.18	28317.95	0	5
COST 6A	140	19855	140.91	0	28617.09	28317.95	0	5
COST 6A	141	19730	140.46	0	28757.55	28665.41	1	5
COST 6A	142	19584	139.94	0	28897.50	28665.41	0	5
COST 6A	143	19554	139.84	0	29037.33	29012.88	4	5
COST 6A	144	18235	135.04	0	29172.37	29012.88	0	5
COST 6A	145	18032	134.28	0	29306.65	29012.88	0	5
COST 6A	146	17860	133.64	0	29440.29	29360.34	5	5
COST 6A	147	17301	131.53	0	29571.83	29360.34	0	5
COST 6A	148	16571	128.73	0	29700.55	29360.34	0	5
COST 6A	149	15491	124.46	0	29825.02	29707.81	3	5
COST 6A	150	15101	122.89	0	29947.90	29707.81	0	5
COST 6A	151	14261	119.42	0	30067.32	30055.27	2	5
COST 6A	152	13668	116.91	0	30184.23	30055.27	0	5
COST 6A	153	13597	116.61	0	30300.84	30055.27	0	5
COST 6A	154	9862	99.31	0	30400.15	30055.27	0	5
COST 6A	155	9749	98.74	0	30498.88	30402.74	1	5
COST 6A	156	9220	96.02	0	30594.91	30402.74	0	5
COST 6A	157	7946	89.14	0	30684.05	30402.74	0	5
COST 6A	158	7452	86.32	0	30770.37	30750.20	4	5
COST 6A	159	7245	85.12	0	30855.49	30750.20	0	5
COST 6A	160	4747	68.90	0	30924.39	30750.20	0	5
COST 6B	1	481920	694.20	1	0.00	0.00	3	5

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Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
COST 6B	2	470594	686.00	1	0.00	0.00	4	5
COST 6B	3	464993	681.90	1	0.00	0.00	2	5
COST 6B	4	335375	579.12	1	0.00	0.00	1	5
COST 6B	5	335087	578.87	1	0.00	0.00	5	5
COST 6B	6	322234	567.66	1	0.00	0.00	3	5
COST 6B	7	320583	566.20	1	0.00	0.00	4	5
COST 6B	8	262019	511.88	0	511.88	242.66	2	5
COST 6B	9	250188	500.19	0	1012.07	779.04	1	5
COST 6B	10	232764	482.46	0	1494.52	1315.42	5	5
COST 6B	11	229618	479.18	0	1973.71	1851.80	3	5
COST 6B	12	227201	476.66	0	2450.36	2388.17	4	5
COST 6B	13	217621	466.50	0	2916.86	2388.17	0	5
COST 6B	14	216919	465.75	0	3382.61	2924.55	2	5
COST 6B	15	207764	455.81	0	3838.42	3460.93	1	5
COST 6B	16	204848	452.60	0	4291.02	3997.31	5	5
13 OTHER STA	1	479198	692.24	1	0.00	0.61	3	6
13 OTHER STA	2	114441	338.29	1	0.00	1.61	2	6
13 OTHER STA	3	67431	259.67	1	0.00	2.61	1	6
13 OTHER STA	4	50622	224.99	1	0.00	3.61	6	6
13 OTHER STA	5	32030	178.97	1	0.00	4.61	4	6
13 OTHER STA	6	30917	175.83	1	0.00	5.61	2	6
13 OTHER STA	7	29729	172.42	1	0.00	6.61	2	6
13 OTHER STA	8	28964	170.19	1	0.00	7.61	1	6
13 OTHER STA	9	24706	157.18	1	0.00	8.61	3	6
13 OTHER STA	10	21691	147.28	1	0.00	9.61	6	6
13 OTHER STA	11	18175	134.81	1	0.00	10.61	4	6
13 OTHER STA	12	13581	116.54	1	0.00	11.61	4	6
13 OTHER STA	13	12771	113.01	1	0.00	12.61	1	6
13 OTHER STA	14	12091	109.96	1	0.00	13.61	6	6
13 OTHER STA	15	12003	109.56	1	0.00	14.61	3	6
13 OTHER STA	16	10839	104.11	1	0.00	15.61	5	6
13 OTHER STA	17	10401	101.99	1	0.00	16.61	5	6
13 OTHER STA	18	7372	85.86	1	0.00	17.61	1	6
13 OTHER STA	19	6142	78.37	1	0.00	18.61	3	6
13 OTHER STA	20	4749	68.91	1	0.00	19.61	5	6
13 OTHER STA	21	3676	60.63	1	0.00	20.61	5	6
13 OTHER STA	22	959	30.97	1	0.00	21.61	2	6
13 OTHER STA	23	882	29.70	1	0.00	22.61	4	6
13 OTHER STA	24	799	28.27	1	0.00	23.61	6	6
NEBRASKA	1	128935	359.08	1	0.00	0.83	6	6
NEBRASKA	2	85106	291.73	1	0.00	1.83	1	6
NEBRASKA	3	50913	225.64	1	0.00	2.83	2	6
NEBRASKA	4	28010	167.36	1	0.00	3.83	3	6

Appendix A1
2006 Modification of Average Schedules
Sample Selection - Individual Listing of Final Strata

Stratum	Stratum Sequence Number	Total Revenue	Measure of Size	Select as Certainty	Cumulative Measure of Size	Systematic Interval	First Year Selected	Sampling term
NEBRASKA	5	25902	160.94	1	0.00	4.83	4	6
NEBRASKA	6	19410	139.32	1	0.00	5.83	6	6
NEBRASKA	7	18574	136.29	1	0.00	6.83	2	6
NEBRASKA	8	15045	122.66	1	0.00	7.83	4	6
NEBRASKA	9	8795	93.78	1	0.00	8.83	5	6
NEBRASKA	10	8305	91.13	1	0.00	9.83	1	6
NEBRASKA	11	883	29.72	1	0.00	10.83	5	6
SOUTH DAKOTA	1	314364	560.68	1	0.00	0.38	4	6
SOUTH DAKOTA	2	111563	334.01	1	0.00	1.38	5	6
SOUTH DAKOTA	3	106523	326.38	1	0.00	2.38	3	6
SOUTH DAKOTA	4	100795	317.48	1	0.00	3.38	4	6
SOUTH DAKOTA	5	62053	249.10	1	0.00	4.38	5	6
SOUTH DAKOTA	6	57008	238.76	1	0.00	5.38	6	6
SOUTH DAKOTA	7	43602	208.81	1	0.00	6.38	5	6
SOUTH DAKOTA	8	43524	208.62	1	0.00	7.38	6	6
SOUTH DAKOTA	9	32094	179.15	1	0.00	8.38	6	6
SOUTH DAKOTA	10	31356	177.08	1	0.00	9.38	2	6
SOUTH DAKOTA	11	30547	174.78	1	0.00	10.38	1	6
SOUTH DAKOTA	12	29403	171.47	1	0.00	11.38	1	6
SOUTH DAKOTA	13	28613	169.15	1	0.00	12.38	3	6
SOUTH DAKOTA	14	24318	155.94	1	0.00	13.38	2	6
SOUTH DAKOTA	15	14992	122.44	1	0.00	14.38	3	6
SOUTH DAKOTA	16	12254	110.70	1	0.00	15.38	2	6
SOUTH DAKOTA	17	8362	91.44	1	0.00	16.38	1	6

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	22,093	5,733	1,885	3,225	215	403	4	1001
RTB STOCK	RTBSTK	187,985	71,666	23,571	40,320	2,693	5,034	49	1001
- GENERAL SUPPORT FACILITIES	GSF	1,640,615	625,453	205,357	351,279	23,464	43,855	1,497	1001
- CENTRAL OFFICE EQUIPMENT	COE	1,874,400	991,162	489	891,294	29,369	70,010	0	1001
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1001
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1001
-- COE CAT 3	COE3	1,675,395	889,385	0	889,385	0	0	0	1001
-- COE CAT 4.11	COE411	69,755	69,755	0	0	0	69,755	0	1001
-- COE CAT 4.12	COE412	25,278	0	0	0	0	0	0	1001
-- COE CAT 4.13	COE413	2,002	491	489	0	0	2	0	1001
-- COE CAT 4.2	COE42	96,311	29,622	0	0	29,369	253	0	1001
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1001
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1001
- CABLE & WIRE FACILITIES	CWF	2,287,223	593,470	521,676	0	30,292	41,502	0	1001
-- C&WF CAT 1.1	CWF11	46,751	0	0	0	0	0	0	1001
-- C&WF CAT 1.2	CWF12	2,093	2,093	0	0	0	2,093	0	1001
-- C&WF CAT 1.3	CWF13	2,086,703	521,676	521,676	0	0	0	0	1001
-- C&WF CAT 2	CWF2	53,652	39,188	0	0	0	39,188	0	1001
-- C&WF CAT 3	CWF3	98,024	30,513	0	0	30,292	221	0	1001
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1001
- TANGIBLES	TANGIB	16,176	6,166	2,028	3,469	232	433	4	1001
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1001
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1001
ACCUM DEPRECIATION	ACCDEP	3,583,815	1,464,416	367,050	964,624	45,292	86,383	1,066	1001
ACCUM AMORTIZATION	ACCAMO	127	48	16	27	2	3	0	1001
NET DEFERRED FIT	NTDFIT	17,284	5,808	2,815	1,906	370	716	0	1001
NETWORK SUPPORT EXP	NETSPX	39,271	14,971	4,924	8,423	563	1,052	10	1001
GENERAL SUPPORT EXP	GSFX	383,508	146,205	48,004	82,115	5,485	10,252	350	1001
COE EXPENSE	COEX	900,951	477,330	67	463,555	4,051	9,657	0	1001
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1001
C&WF EXPENSE	CWFX	340,372	88,317	77,633	0	4,508	6,176	0	1001
OTHER PROP & PL EXP	OTHPX	1,122	428	141	241	16	30	0	1001
NETWORK OPERATIONS EXP	NETOPX	919,915	350,700	115,423	197,440	13,188	24,649	0	1001
DEPREC & AMORT EXP	DEPAMX	372,306	153,659	36,742	97,787	6,258	12,758	114	1001
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1001
SERVICES EXPENSE	SERVX	235,643	65,570	14,725	21,609	1,199	2,937	25,101	1001
- CABSX EXPENSE	CABSX	31,431	15,716	0	13,188	881	1,646	0	1001
EXEC & PLANNING EXP	EXEPLX	893,562	366,061	86,767	244,731	9,180	17,326	8,057	1001
GENERAL & ADMIN EXP	GENADX	760,136	351,939	83,420	235,290	8,826	16,658	7,746	1001
OTHER TAXES (EXCL FIT & ITC)	OTAXES	4,625	2,066	680	1,163	78	145	0	1001
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1001
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1001
INTEREST & RELATED ITEMS(IRI)	INTREL	68,185	23,183	7,625	13,043	871	1,628	16	1001

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	39,630	10,065	1,962	7,093	579	431	0	1002
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1002
- GENERAL SUPPORT FACILITIES	GSF	529,323	284,040	55,365	200,184	16,328	12,163	0	1002
- CENTRAL OFFICE EQUIPMENT	COE	1,822,911	1,167,840	93,263	952,560	66,384	55,633	0	1002
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1002
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1002
-- COE CAT 3	COE3	1,120,658	924,763	0	924,763	0	0	0	1002
-- COE CAT 4.11	COE411	55,633	55,633	0	0	0	55,633	0	1002
-- COE CAT 4.12	COE412	101,743	0	0	0	0	0	0	1002
-- COE CAT 4.13	COE413	375,562	93,263	93,263	0	0	0	0	1002
-- COE CAT 4.2	COE42	134,436	66,384	0	0	66,384	0	0	1002
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1002
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1002
- CABLE & WIRE FACILITIES	CWF	769,323	195,385	177,875	0	13,580	3,930	0	1002
-- C&WF CAT 1.1	CWF11	4,785	0	0	0	0	0	0	1002
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1002
-- C&WF CAT 1.3	CWF13	711,499	177,875	177,875	0	0	0	0	1002
-- C&WF CAT 2	CWF2	25,538	3,930	0	0	0	3,930	0	1002
-- C&WF CAT 3	CWF3	27,501	13,580	0	0	13,580	0	0	1002
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1002
- TANGIBLES	TANGIB	4,562	2,448	477	1,725	141	105	0	1002
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1002
TELCOM PLANT-OTHER	PLTOTH	12,078	6,481	1,263	4,568	373	278	0	1002
ACCUM DEPRECIATION	ACCDEP	1,775,686	892,433	224,893	608,989	36,294	22,256	0	1002
ACCUM AMORTIZATION	ACCAMO	4,562	2,448	477	1,725	141	105	0	1002
NET DEFERRED FIT	NTDFIT	270,802	193,113	10,945	172,466	5,366	4,337	0	1002
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1002
GENERAL SUPPORT EXP	GSFX	28,104	15,081	2,940	10,629	867	646	0	1002
COE EXPENSE	COEX	148,921	97,676	6,216	83,329	4,424	3,708	0	1002
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1002
C&WF EXPENSE	CWFX	70,878	18,001	16,388	0	1,251	362	0	1002
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1002
NETWORK OPERATIONS EXP	NETOPX	110,399	59,241	11,547	41,752	3,406	2,537	0	1002
DEPREC & AMORT EXP	DEPAMX	190,302	120,243	13,521	98,846	4,470	3,406	0	1002
MARKETING EXPENSE	MRKTX	19,565	8,937	1,742	6,299	514	383	0	1002
SERVICES EXPENSE	SERVX	118,228	49,379	5,718	25,252	2,041	1,521	14,846	1002
- CABSX EXPENSE	CABSX	33,946	16,973	0	14,858	1,212	903	0	1002
EXEC & PLANNING EXP	EXEPLX	233,143	116,192	23,023	76,478	5,717	4,186	6,788	1002
GENERAL & ADMIN EXP	GENADX	265,480	155,241	30,761	102,180	7,638	5,593	9,070	1002
OTHER TAXES (EXCL FIT & ITC)	OTAXES	17,617	9,528	1,857	6,715	548	408	0	1002
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1002
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1002
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1002

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	2,032	504	64	314	88	38	0	1003
RTB STOCK	RTBSTK	21,750	13,522	1,726	8,423	2,357	1,015	0	1003
- GENERAL SUPPORT FACILITIES	GSF	197,303	122,660	15,659	76,412	21,382	9,206	0	1003
- CENTRAL OFFICE EQUIPMENT	COE	1,283,832	1,008,791	26,145	715,506	188,550	78,590	0	1003
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1003
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1003
-- COE CAT 3	COE3	841,772	715,506	0	715,506	0	0	0	1003
-- COE CAT 4.11	COE411	47,826	47,826	0	0	0	47,826	0	1003
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1003
-- COE CAT 4.13	COE413	117,356	26,145	26,145	0	0	0	0	1003
-- COE CAT 4.2	COE42	276,878	219,314	0	0	188,550	30,764	0	1003
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1003
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1003
- CABLE & WIRE FACILITIES	CWF	563,669	139,770	120,486	0	11,668	7,616	0	1003
-- C&WF CAT 1.1	CWF11	58,880	0	0	0	0	0	0	1003
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1003
-- C&WF CAT 1.3	CWF13	481,943	120,486	120,486	0	0	0	0	1003
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1003
-- C&WF CAT 3	CWF3	22,846	19,284	0	0	11,668	7,616	0	1003
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1003
- TANGIBLES	TANGIB	84,175	52,330	6,681	32,600	9,122	3,928	0	1003
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1003
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1003
ACCUM DEPRECIATION	ACCDEP	1,279,711	862,744	78,301	638,619	101,875	43,949	0	1003
ACCUM AMORTIZATION	ACCAMO	3,018	1,876	240	1,169	327	141	0	1003
NET DEFERRED FIT	NTDFIT	93,601	59,018	7,130	37,057	10,375	4,456	0	1003
NETWORK SUPPORT EXP	NETSPX	3,010	1,871	239	1,166	326	140	0	1003
GENERAL SUPPORT EXP	GSFX	34,490	21,442	2,737	13,357	3,738	1,609	0	1003
COE EXPENSE	COEX	107,102	84,157	3,342	46,671	24,100	10,045	0	1003
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1003
C&WF EXPENSE	CWFX	29,802	7,390	6,370	0	617	403	0	1003
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1003
NETWORK OPERATIONS EXP	NETOPX	21,263	13,219	1,688	8,235	2,304	992	0	1003
DEPREC & AMORT EXP	DEPAMX	178,972	121,720	10,440	79,773	22,118	9,390	0	1003
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1003
SERVICES EXPENSE	SERVX	73,715	34,834	1,662	7,559	2,039	783	22,791	1003
- CABSX EXPENSE	CABSX	17,972	8,986	0	6,417	1,796	773	0	1003
EXEC & PLANNING EXP	EXEPLX	106,500	64,116	6,312	30,299	13,036	5,499	8,970	1003
GENERAL & ADMIN EXP	GENADX	257,954	168,490	16,587	79,623	34,258	14,451	23,571	1003
OTHER TAXES (EXCL FIT & ITC)	OTAXES	13,939	7,859	1,518	3,276	2,143	922	0	1003
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1003
NON-OPERATING INC & EXP	NONOPX	2,760	1,762	225	1,097	307	132	0	1003
INTEREST & RELATED ITEMS(IRI)	INTREL	17,554	9,327	1,191	5,810	1,626	700	0	1003

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COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	180,089	53,917	21,471	20,295	2,300	9,851	0	1004
RTB STOCK	RTBSTK	119,800	49,101	19,554	18,482	2,095	8,971	0	1004
- GENERAL SUPPORT FACILITIES	GSF	5,978,409	2,450,315	975,787	922,314	104,539	447,676	0	1004
- CENTRAL OFFICE EQUIPMENT	COE	11,763,857	6,342,410	1,060,032	3,938,756	310,065	1,033,557	0	1004
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1004
-- COE CAT 2	COE2	134,008	7,206	0	0	7,206	0	0	1004
-- COE CAT 3	COE3	5,654,851	3,938,756	0	3,938,756	0	0	0	1004
-- COE CAT 4.11	COE411	818,842	816,489	0	0	0	816,489	0	1004
-- COE CAT 4.12	COE412	218,533	0	0	0	0	0	0	1004
-- COE CAT 4.13	COE413	4,274,233	1,073,752	1,060,032	0	0	13,720	0	1004
-- COE CAT 4.2	COE42	609,824	490,059	0	0	286,712	203,347	0	1004
-- COE CAT 4.3	COE43	53,566	16,146	0	0	16,146	0	0	1004
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1004
- CABLE & WIRE FACILITIES	CWF	13,767,043	4,121,704	3,107,082	0	136,369	878,253	0	1004
-- C&WF CAT 1.1	CWF11	59,749	0	0	0	0	0	0	1004
-- C&WF CAT 1.2	CWF12	40,216	40,216	0	0	0	40,216	0	1004
-- C&WF CAT 1.3	CWF13	12,428,327	3,107,082	3,107,082	0	0	0	0	1004
-- C&WF CAT 2	CWF2	968,527	836,483	0	0	0	836,483	0	1004
-- C&WF CAT 3	CWF3	139,812	98,614	0	0	97,059	1,555	0	1004
-- C&WF CAT 4	CWF4	130,413	39,310	0	0	39,310	0	0	1004
- TANGIBLES	TANGIB	444,885	182,341	72,613	68,634	7,779	33,314	0	1004
- INTANGIBLES	INTANG	261,675	107,250	42,710	40,370	4,576	19,595	0	1004
TELCOM PLANT-OTHER	PLTOTH	144,415	59,190	23,571	22,279	2,525	10,814	0	1004
ACCUM DEPRECIATION	ACCDEP	17,742,137	7,752,950	2,598,200	3,802,434	249,620	1,102,696	0	1004
ACCUM AMORTIZATION	ACCAMO	344,711	141,284	56,263	53,180	6,028	25,813	0	1004
NET DEFERRED FIT	NTDFIT	1,831,850	750,803	298,992	282,607	32,032	137,173	0	1004
NETWORK SUPPORT EXP	NETSPX	62,582	25,650	10,215	9,655	1,094	4,686	0	1004
GENERAL SUPPORT EXP	GSFX	624,152	255,815	101,873	96,290	10,914	46,738	0	1004
COE EXPENSE	COEX	440,654	237,576	61,667	97,983	17,798	60,127	0	1004
IOT EXPENSE	IOTX	3,192	798	798	0	0	0	0	1004
C&WF EXPENSE	CWFX	590,830	176,888	133,344	0	5,852	37,691	0	1004
OTHER PROP & PL EXP	OTHPXX	0	0	0	0	0	0	0	1004
NETWORK OPERATIONS EXP	NETOPX	1,228,234	503,405	200,470	189,485	21,477	91,973	0	1004
DEPREC & AMORT EXP	DEPAMX	1,994,020	907,798	271,988	469,134	32,728	133,948	0	1004
MARKETING EXPENSE	MRKTX	741,928	245,385	97,720	92,365	10,469	44,832	0	1004
SERVICES EXPENSE	SERVX	1,012,125	391,758	70,622	125,387	12,800	49,988	132,961	1004
- CABSX EXPENSE	CABSX	328,111	164,056	0	102,616	11,631	49,808	0	1004
EXEC & PLANNING EXP	EXEPLX	135,395	52,440	20,784	16,670	2,193	9,166	3,627	1004
GENERAL & ADMIN EXP	GENADX	1,965,248	797,737	316,169	253,598	33,363	139,435	55,171	1004
OTHER TAXES (EXCL FIT & ITC)	OTAXES	201,262	98,457	46,814	23,315	5,462	22,866	0	1004
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1004
NON-OPERATING INC & EXP	NONOPX	6,585	2,665	1,061	1,003	114	487	0	1004
INTEREST & RELATED ITEMS(IRI)	INTREL	303,243	111,929	44,573	42,131	4,775	20,450	0	1004

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	89,117	26,821	9,086	9,234	922	7,527	52	1005
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1005
- GENERAL SUPPORT FACILITIES	GSF	4,736,694	2,175,005	731,223	743,157	74,236	605,831	20,557	1005
- CENTRAL OFFICE EQUIPMENT	COE	8,417,982	5,423,165	649,542	2,892,851	226,736	1,654,036	0	1005
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1005
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1005
-- COE CAT 3	COE3	3,509,634	2,892,851	0	2,892,851	0	0	0	1005
-- COE CAT 4.11	COE411	1,362,044	1,294,955	0	0	0	1,294,955	0	1005
-- COE CAT 4.12	COE412	33,795	9,617	0	0	9,617	0	0	1005
-- COE CAT 4.13	COE413	2,680,673	669,001	649,542	0	0	19,459	0	1005
-- COE CAT 4.2	COE42	696,787	523,368	0	0	183,745	339,622	0	1005
-- COE CAT 4.3	COE43	133,304	33,374	0	0	33,374	0	0	1005
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1005
- CABLE & WIRE FACILITIES	CWF	9,846,047	2,963,348	2,196,854	0	62,241	704,253	0	1005
-- C&WF CAT 1.1	CWF11	82,578	0	0	0	0	0	0	1005
-- C&WF CAT 1.2	CWF12	24,468	24,468	0	0	0	24,468	0	1005
-- C&WF CAT 1.3	CWF13	8,787,416	2,196,854	2,196,854	0	0	0	0	1005
-- C&WF CAT 2	CWF2	145,226	128,672	0	0	3,483	125,190	0	1005
-- C&WF CAT 3	CWF3	613,291	565,017	0	0	10,421	554,596	0	1005
-- C&WF CAT 4	CWF4	193,068	48,336	0	0	48,336	0	0	1005
- TANGIBLES	TANGIB	21,477	21,477	0	0	0	21,477	0	1005
- INTANGIBLES	INTANG	73,153	33,627	11,391	11,577	1,156	9,438	65	1005
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1005
ACCUM DEPRECIATION	ACCDEP	14,913,095	7,262,913	2,143,392	2,873,860	247,796	1,985,931	11,934	1005
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1005
NET DEFERRED FIT	NTDFIT	693,186	316,565	108,120	108,603	10,884	88,958	0	1005
NETWORK SUPPORT EXP	NETSPX	22,671	10,410	3,526	3,584	358	2,922	20	1005
GENERAL SUPPORT EXP	GSFX	354,171	162,629	54,675	55,567	5,551	45,299	1,537	1005
COE EXPENSE	COEX	215,252	138,673	4,473	121,248	1,561	11,391	0	1005
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1005
C&WF EXPENSE	CWFX	190,234	57,254	42,445	0	1,203	13,607	0	1005
OTHER PROP & PL EXP	OTHPX	4,653	2,139	726	738	74	601	0	1005
NETWORK OPERATIONS EXP	NETOPX	391,296	179,676	60,982	61,978	6,191	50,525	0	1005
DEPREC & AMORT EXP	DEPAMX	1,423,858	731,858	188,395	298,913	27,551	215,698	1,301	1005
MARKETING EXPENSE	MRKTX	151,658	70,912	24,021	24,413	2,439	19,902	138	1005
SERVICES EXPENSE	SERVX	523,004	164,872	31,130	44,487	4,319	29,813	55,124	1005
- CABSX EXPENSE	CABSX	133,226	66,613	0	34,783	3,475	28,356	0	1005
EXEC & PLANNING EXP	EXEPLX	137,372	57,078	18,960	21,066	1,465	11,752	3,836	1005
GENERAL & ADMIN EXP	GENADX	663,357	285,364	94,792	105,318	7,323	58,752	19,179	1005
OTHER TAXES (EXCL FIT & ITC)	OTAXES	190,890	82,569	32,996	22,300	2,863	24,295	115	1005
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1005
NON-OPERATING INC & EXP	NONOPX	839	359	122	124	12	101	1	1005
INTEREST & RELATED ITEMS(IRI)	INTREL	162,640	65,739	22,269	22,632	2,261	18,450	128	1005

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	107,287	26,793	12,256	13,371	422	745	0	1006
RTB STOCK	RTBSTK	19,750	7,959	3,641	3,972	125	221	0	1006
- GENERAL SUPPORT FACILITIES	GSF	482,337	194,370	88,910	96,999	3,060	5,402	0	1006
- CENTRAL OFFICE EQUIPMENT	COE	2,314,664	1,365,917	246,182	1,033,920	28,239	57,576	0	1006
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1006
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1006
-- COE CAT 3	COE3	1,216,377	1,033,920	0	1,033,920	0	0	0	1006
-- COE CAT 4.11	COE411	57,576	57,576	0	0	0	57,576	0	1006
-- COE CAT 4.12	COE412	12,199	0	0	0	0	0	0	1006
-- COE CAT 4.13	COE413	988,909	246,182	246,182	0	0	0	0	1006
-- COE CAT 4.2	COE42	39,603	28,239	0	0	28,239	0	0	1006
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1006
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1006
- CABLE & WIRE FACILITIES	CWF	2,826,605	705,890	701,518	0	4,373	0	0	1006
-- C&WF CAT 1.1	CWF11	11,912	0	0	0	0	0	0	1006
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1006
-- C&WF CAT 1.3	CWF13	2,806,070	701,518	701,518	0	0	0	0	1006
-- C&WF CAT 2	CWF2	2,464	0	0	0	0	0	0	1006
-- C&WF CAT 3	CWF3	6,159	4,373	0	0	4,373	0	0	1006
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1006
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1006
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1006
TELCOM PLANT-OTHER	PLTOTH	365,617	147,335	67,395	73,526	2,319	4,094	0	1006
ACCUM DEPRECIATION	ACCDEP	2,599,061	1,254,529	393,057	803,821	19,940	37,710	0	1006
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1006
NET DEFERRED FIT	NTDFIT	241,386	97,275	44,494	48,547	1,531	2,703	0	1006
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1006
GENERAL SUPPORT EXP	GSFX	68,337	27,538	12,597	13,743	433	765	0	1006
COE EXPENSE	COEX	71,707	42,315	6,970	32,915	800	1,630	0	1006
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1006
C&WF EXPENSE	CWFX	66,049	16,494	16,392	0	102	0	0	1006
OTHER PROP & PL EXP	OTHPX	5,016	2,021	925	1,009	32	56	0	1006
NETWORK OPERATIONS EXP	NETOPX	66,847	26,938	12,322	13,443	424	749	0	1006
DEPREC & AMORT EXP	DEPAMX	263,195	104,062	49,225	46,331	2,904	5,600	0	1006
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1006
SERVICES EXPENSE	SERVX	155,190	84,812	6,699	13,874	438	536	63,265	1006
- CABSX EXPENSE	CABSX	20,895	10,448	0	9,609	303	535	0	1006
EXEC & PLANNING EXP	EXEPLX	93,598	44,370	12,395	16,625	494	828	14,027	1006
GENERAL & ADMIN EXP	GENADX	256,311	143,289	40,029	53,690	1,596	2,675	45,299	1006
OTHER TAXES (EXCL FIT & ITC)	OTAXES	80,025	32,356	14,800	16,147	509	899	0	1006
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1006
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1006
INTEREST & RELATED ITEMS(IRI)	INTREL	90,284	30,219	18,929	10,060	470	759	0	1006

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	163,948	43,321	18,441	14,642	2,862	7,376	1	1007
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1007
- GENERAL SUPPORT FACILITIES	GSF	7,227,121	2,840,587	1,209,061	959,943	187,633	483,561	389	1007
- CENTRAL OFFICE EQUIPMENT	COE	17,331,946	11,103,283	704,733	6,726,503	769,737	2,902,311	0	1007
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1007
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1007
-- COE CAT 3	COE3	10,153,549	6,726,503	0	6,726,503	0	0	0	1007
-- COE CAT 4.11	COE411	2,808,070	2,808,070	0	0	0	2,808,070	0	1007
-- COE CAT 4.12	COE412	147,062	43,009	0	0	0	43,009	0	1007
-- COE CAT 4.13	COE413	2,886,503	726,634	704,733	0	0	21,901	0	1007
-- COE CAT 4.2	COE42	804,142	600,418	0	0	571,087	29,331	0	1007
-- COE CAT 4.3	COE43	532,620	198,650	0	0	198,650	0	0	1007
- INFORMATION ORIG/TERM	IOT	93,203	23,301	23,301	0	0	0	0	1007
- CABLE & WIRE FACILITIES	CWF	33,209,709	8,775,217	7,744,085	0	545,042	486,090	0	1007
-- C&WF CAT 1.1	CWF11	501,867	0	0	0	0	0	0	1007
-- C&WF CAT 1.2	CWF12	240,661	240,661	0	0	0	240,661	0	1007
-- C&WF CAT 1.3	CWF13	30,976,340	7,744,085	7,744,085	0	0	0	0	1007
-- C&WF CAT 2	CWF2	39,677	0	0	0	0	0	0	1007
-- C&WF CAT 3	CWF3	508,068	438,727	0	0	193,298	245,429	0	1007
-- C&WF CAT 4	CWF4	943,096	351,744	0	0	351,744	0	0	1007
- TANGIBLES	TANGIB	446,618	175,541	74,721	59,325	11,596	29,885	14	1007
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1007
TELCOM PLANT-OTHER	PLTOTH	230,520	90,603	38,569	30,623	5,986	15,426	0	1007
ACCUM DEPRECIATION	ACCDEP	34,252,672	13,853,110	5,486,508	5,339,423	847,218	2,179,735	226	1007
ACCUM AMORTIZATION	ACCAMO	205,742	80,855	34,420	27,328	5,342	13,766	0	1007
NET DEFERRED FIT	NTDFIT	1,768,351	695,011	296,159	232,521	46,348	119,983	0	1007
NETWORK SUPPORT EXP	NETSPX	157,674	61,973	26,381	20,946	4,094	10,551	1	1007
GENERAL SUPPORT EXP	GSFX	1,405,772	552,532	235,179	186,722	36,497	94,059	76	1007
COE EXPENSE	COEX	1,467,275	939,974	3,225	919,944	3,522	13,282	0	1007
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1007
C&WF EXPENSE	CWFX	1,677,166	443,168	391,094	0	27,526	24,549	0	1007
OTHER PROP & PL EXP	OTHPX	112,731	44,308	18,862	14,976	2,927	7,544	0	1007
NETWORK OPERATIONS EXP	NETOPX	2,116,263	831,788	354,089	281,131	54,951	141,617	0	1007
DEPREC & AMORT EXP	DEPAMX	3,508,718	1,638,668	449,228	776,400	102,698	310,328	15	1007
MARKETING EXPENSE	MRKTX	863,343	356,699	151,843	120,557	23,564	60,729	6	1007
SERVICES EXPENSE	SERVX	1,474,589	335,004	34,500	129,745	6,638	39,118	125,003	1007
- CABSX EXPENSE	CABSX	64,803	32,402	0	19,069	3,727	9,606	0	1007
EXEC & PLANNING EXP	EXEPLX	705,772	269,972	98,814	121,910	11,632	28,507	9,109	1007
GENERAL & ADMIN EXP	GENADX	3,513,120	1,373,963	502,891	620,435	59,196	145,081	46,360	1007
OTHER TAXES (EXCL FIT & ITC)	OTAXES	819,302	436,975	196,651	130,715	30,618	78,988	3	1007
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1007
NON-OPERATING INC & EXP	NONOPX	103,414	40,296	17,154	13,619	2,662	6,861	1	1007
INTEREST & RELATED ITEMS(IRI)	INTREL	641,006	240,213	102,256	81,187	15,869	40,897	4	1007

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	139,564	36,667	18,520	13,727	711	3,708	0	1008
RTB STOCK	RTBSTK	111,729	37,381	18,881	13,995	725	3,781	0	1008
- GENERAL SUPPORT FACILITIES	GSF	2,838,158	949,552	479,614	355,491	18,411	96,035	0	1008
- CENTRAL OFFICE EQUIPMENT	COE	4,444,962	1,852,691	365,160	1,208,660	51,884	226,986	0	1008
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1008
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1008
-- COE CAT 3	COE3	2,537,873	1,187,657	0	1,187,657	0	0	0	1008
-- COE CAT 4.11	COE411	168,444	168,444	0	0	0	168,444	0	1008
-- COE CAT 4.12	COE412	23,815	0	0	0	0	0	0	1008
-- COE CAT 4.13	COE413	1,479,911	378,124	365,160	0	0	12,963	0	1008
-- COE CAT 4.2	COE42	201,651	96,698	0	0	51,119	45,579	0	1008
-- COE CAT 4.3	COE43	6,218	765	0	0	765	0	0	1008
- INFORMATION ORIG/TERM	IOT	47,021	11,755	11,352	0	0	403	0	1008
- CABLE & WIRE FACILITIES	CWF	5,325,343	1,399,099	1,282,497	0	11,801	104,801	0	1008
-- C&WF CAT 1.1	CWF11	22,149	0	0	0	0	0	0	1008
-- C&WF CAT 1.2	CWF12	45,529	45,529	0	0	0	45,529	0	1008
-- C&WF CAT 1.3	CWF13	5,129,988	1,282,497	1,282,497	0	0	0	0	1008
-- C&WF CAT 2	CWF2	83,809	57,970	0	0	0	57,970	0	1008
-- C&WF CAT 3	CWF3	30,758	11,491	0	0	10,189	1,302	0	1008
-- C&WF CAT 4	CWF4	13,110	1,612	0	0	1,612	0	0	1008
- TANGIBLES	TANGIB	140,662	47,061	23,770	17,619	912	4,760	0	1008
- INTANGIBLES	INTANG	25	8	4	3	0	1	0	1008
TELCOM PLANT-OTHER	PLTOTH	21,987	7,356	3,716	2,754	143	744	0	1008
ACCUM DEPRECIATION	ACCDEP	6,397,019	2,278,007	921,428	1,132,326	36,251	188,003	0	1008
ACCUM AMORTIZATION	ACCAMO	47,052	15,742	7,951	5,893	305	1,592	0	1008
NET DEFERRED FIT	NTDFIT	1,136,830	380,345	192,110	142,395	7,374	38,466	0	1008
NETWORK SUPPORT EXP	NETSPX	12,751	4,266	2,155	1,597	83	431	0	1008
GENERAL SUPPORT EXP	GSFX	152,173	50,912	25,715	19,060	987	5,149	0	1008
COE EXPENSE	COEX	211,960	89,348	1,887	73,710	12,578	1,173	0	1008
IOT EXPENSE	IOTX	304	76	73	0	0	3	0	1008
C&WF EXPENSE	CWFX	269,161	70,715	64,822	0	596	5,297	0	1008
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1008
NETWORK OPERATIONS EXP	NETOPX	33,143	11,089	5,601	4,151	215	1,121	0	1008
DEPREC & AMORT EXP	DEPAMX	663,275	227,118	108,413	85,734	5,564	27,407	0	1008
MARKETING EXPENSE	MRKTX	112,775	29,497	14,899	11,043	572	2,983	0	1008
SERVICES EXPENSE	SERVX	425,822	126,608	21,438	28,437	1,473	6,463	68,797	1008
- CABSX EXPENSE	CABSX	63,013	31,507	0	23,834	1,234	6,439	0	1008
EXEC & PLANNING EXP	EXEPLX	521,313	162,028	64,210	54,891	6,565	8,998	27,365	1008
GENERAL & ADMIN EXP	GENADX	536,478	186,542	73,925	63,195	7,558	10,359	31,505	1008
OTHER TAXES (EXCL FIT & ITC)	OTAXES	115,736	39,149	19,774	14,657	759	3,959	0	1008
INVESTMENT TAX CREDITS (ITC)	ITC	4,483	1,500	758	562	29	152	0	1008
NON-OPERATING INC & EXP	NONOPX	18,201	5,998	3,029	2,245	116	607	0	1008
INTEREST & RELATED ITEMS(IRI)	INTREL	82,341	25,285	16,174	5,317	608	3,187	0	1008

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COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	130,860	33,589	20,716	8,423	765	3,685	0	1009
RTB STOCK	RTBSTK	135,950	43,337	26,727	10,867	987	4,755	0	1009
- GENERAL SUPPORT FACILITIES	GSF	1,450,932	462,512	285,249	115,983	10,536	50,743	0	1009
- CENTRAL OFFICE EQUIPMENT	COE	3,100,138	1,282,897	385,613	627,176	41,839	228,269	0	1009
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1009
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1009
-- COE CAT 3	COE3	1,163,885	627,176	0	627,176	0	0	0	1009
-- COE CAT 4.11	COE411	207,431	207,431	0	0	0	207,431	0	1009
-- COE CAT 4.12	COE412	15,040	0	0	0	0	0	0	1009
-- COE CAT 4.13	COE413	1,549,590	389,578	385,613	0	0	3,965	0	1009
-- COE CAT 4.2	COE42	104,258	46,733	0	0	29,860	16,873	0	1009
-- COE CAT 4.3	COE43	59,934	11,978	0	0	11,978	0	0	1009
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1009
- CABLE & WIRE FACILITIES	CWF	4,745,771	1,218,133	1,156,872	0	15,137	46,125	0	1009
-- C&WF CAT 1.1	CWF11	9,517	0	0	0	0	0	0	1009
-- C&WF CAT 1.2	CWF12	11,896	11,896	0	0	0	11,896	0	1009
-- C&WF CAT 1.3	CWF13	4,627,486	1,156,872	1,156,872	0	0	0	0	1009
-- C&WF CAT 2	CWF2	43,622	34,065	0	0	0	34,065	0	1009
-- C&WF CAT 3	CWF3	31,969	11,048	0	0	10,884	164	0	1009
-- C&WF CAT 4	CWF4	21,281	4,253	0	0	4,253	0	0	1009
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1009
- INTANGIBLES	INTANG	200	64	39	16	1	7	0	1009
TELCOM PLANT-OTHER	PLTOTH	57,490	18,326	11,302	4,596	417	2,011	0	1009
ACCUM DEPRECIATION	ACCDEP	4,756,310	1,586,937	881,549	469,886	39,358	196,144	0	1009
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1009
NET DEFERRED FIT	NTDFIT	555,134	177,054	109,028	44,721	4,010	19,295	0	1009
NETWORK SUPPORT EXP	NETSPX	3,146	1,003	618	251	23	110	0	1009
GENERAL SUPPORT EXP	GSFX	211,387	67,384	41,558	16,898	1,535	7,393	0	1009
COE EXPENSE	COEX	166,321	68,827	8,917	53,664	967	5,279	0	1009
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1009
C&WF EXPENSE	CWFX	189,211	48,566	46,124	0	604	1,839	0	1009
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1009
NETWORK OPERATIONS EXP	NETOPX	373,311	119,000	73,392	29,841	2,711	13,056	0	1009
DEPREC & AMORT EXP	DEPAMX	574,030	194,935	104,442	57,272	5,447	27,774	0	1009
MARKETING EXPENSE	MRKTX	2,984	836	516	210	19	92	0	1009
SERVICES EXPENSE	SERVX	248,617	68,608	8,483	15,052	1,368	6,067	37,637	1009
- CABSX EXPENSE	CABSX	42,280	21,140	0	13,832	1,257	6,052	0	1009
EXEC & PLANNING EXP	EXEPLX	413,660	129,036	63,964	38,758	2,416	11,313	12,584	1009
GENERAL & ADMIN EXP	GENADX	464,634	177,699	88,087	53,375	3,328	15,580	17,330	1009
OTHER TAXES (EXCL FIT & ITC)	OTAXES	99,351	31,831	19,632	7,982	725	3,492	0	1009
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1009
NON-OPERATING INC & EXP	NONOPX	8,457	2,954	1,822	741	67	324	0	1009
INTEREST & RELATED ITEMS(IRI)	INTREL	125,211	37,618	26,772	6,783	740	3,323	0	1009

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	543,971	161,535	50,959	69,882	8,026	32,667	0	1010
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1010
- GENERAL SUPPORT FACILITIES	GSF	6,498,822	2,639,534	832,696	1,141,893	131,150	533,796	0	1010
- CENTRAL OFFICE EQUIPMENT	COE	23,534,546	12,693,950	500,391	9,179,803	501,949	2,511,806	0	1010
-- COE CAT 1	COE1	3,037	163	0	163	0	0	0	1010
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1010
-- COE CAT 3	COE3	17,444,094	9,179,640	0	9,179,640	0	0	0	1010
-- COE CAT 4.11	COE411	2,036,082	2,036,082	0	0	0	2,036,082	0	1010
-- COE CAT 4.12	COE412	116,262	0	0	0	0	0	0	1010
-- COE CAT 4.13	COE413	2,019,816	510,125	500,391	0	0	9,734	0	1010
-- COE CAT 4.2	COE42	1,148,520	758,703	0	0	292,714	465,989	0	1010
-- COE CAT 4.3	COE43	766,735	209,236	0	0	209,236	0	0	1010
- INFORMATION ORIG/TERM	IOT	1,465	366	359	0	0	7	0	1010
- CABLE & WIRE FACILITIES	CWF	28,708,718	8,525,185	6,193,380	0	552,378	1,779,428	0	1010
-- C&WF CAT 1.1	CWF11	105,423	0	0	0	0	0	0	1010
-- C&WF CAT 1.2	CWF12	120,483	120,483	0	0	0	120,483	0	1010
-- C&WF CAT 1.3	CWF13	24,773,520	6,193,380	6,193,380	0	0	0	0	1010
-- C&WF CAT 2	CWF2	1,808,888	1,621,293	0	0	0	1,621,293	0	1010
-- C&WF CAT 3	CWF3	332,591	162,186	0	0	124,534	37,651	0	1010
-- C&WF CAT 4	CWF4	1,567,813	427,844	0	0	427,844	0	0	1010
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1010
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1010
TELCOM PLANT-OTHER	PLTOTH	1,993,507	809,674	255,429	350,275	40,230	163,741	0	1010
ACCUM DEPRECIATION	ACCDEP	32,984,908	13,124,586	4,292,280	6,115,358	561,011	2,155,937	0	1010
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1010
NET DEFERRED FIT	NTDFIT	2,431,981	987,520	311,659	427,652	48,979	199,231	0	1010
NETWORK SUPPORT EXP	NETSPX	4,911	1,995	629	863	99	403	0	1010
GENERAL SUPPORT EXP	GSFX	777,732	315,880	99,651	136,654	15,695	63,881	0	1010
COE EXPENSE	COEX	925,757	499,330	14,288	329,072	84,247	71,723	0	1010
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1010
C&WF EXPENSE	CWFX	1,586,530	471,127	342,265	0	30,526	98,337	0	1010
OTHER PROP & PL EXP	OTHPX	825	335	106	145	17	68	0	1010
NETWORK OPERATIONS EXP	NETOPX	1,326,142	538,620	169,919	233,013	26,762	108,926	0	1010
DEPREC & AMORT EXP	DEPAMX	3,981,250	1,746,694	392,351	976,473	72,244	305,626	0	1010
MARKETING EXPENSE	MRKTX	382,232	141,322	44,583	61,137	7,022	28,580	0	1010
SERVICES EXPENSE	SERVX	1,241,764	405,510	93,829	125,639	13,088	16,020	156,934	1010
- CABSX EXPENSE	CABSX	107,348	53,674	0	33,921	3,896	15,857	0	1010
EXEC & PLANNING EXP	EXEPLX	993,937	374,091	146,388	125,471	25,116	54,905	22,211	1010
GENERAL & ADMIN EXP	GENADX	2,665,636	1,030,479	403,244	345,624	69,184	151,243	61,183	1010
OTHER TAXES (EXCL FIT & ITC)	OTAXES	556,443	231,190	72,885	99,876	11,516	46,912	0	1010
INVESTMENT TAX CREDITS (ITC)	ITC	16,308	6,624	2,090	2,865	329	1,339	0	1010
NON-OPERATING INC & EXP	NONOPX	10,470	4,018	1,268	1,738	200	813	0	1010
INTEREST & RELATED ITEMS(IRI)	INTREL	310,919	131,522	39,544	51,287	7,703	32,988	0	1010

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	807,138	213,530	70,738	100,704	4,311	36,275	1,503	1011
RTB STOCK	RTBSTK	175,249	58,116	19,253	27,408	1,173	9,873	409	1011
- GENERAL SUPPORT FACILITIES	GSF	4,569,328	1,515,283	492,208	700,714	29,996	252,406	39,959	1011
- CENTRAL OFFICE EQUIPMENT	COE	7,247,561	2,742,086	174,326	1,960,008	68,071	539,680	0	1011
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1011
-- COE CAT 2	COE2	153,325	0	0	0	0	0	0	1011
-- COE CAT 3	COE3	5,568,061	1,942,588	0	1,942,588	0	0	0	1011
-- COE CAT 4.11	COE411	338,590	338,590	0	0	0	338,590	0	1011
-- COE CAT 4.12	COE412	60,752	0	0	0	0	0	0	1011
-- COE CAT 4.13	COE413	712,367	177,829	174,326	0	0	3,503	0	1011
-- COE CAT 4.2	COE42	390,120	265,659	0	0	68,071	197,588	0	1011
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1011
- INFORMATION ORIG/TERM	IOT	8,429	2,107	2,065	0	0	42	0	1011
- CABLE & WIRE FACILITIES	CWF	5,298,690	1,401,777	1,212,627	0	16,577	172,573	0	1011
-- C&WF CAT 1.1	CWF11	80,402	0	0	0	0	0	0	1011
-- C&WF CAT 1.2	CWF12	24,364	24,364	0	0	0	24,364	0	1011
-- C&WF CAT 1.3	CWF13	4,850,510	1,212,627	1,212,627	0	0	0	0	1011
-- C&WF CAT 2	CWF2	295,789	145,491	0	0	0	145,491	0	1011
-- C&WF CAT 3	CWF3	47,625	19,295	0	0	16,577	2,718	0	1011
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1011
- TANGIBLES	TANGIB	130,699	43,342	14,079	20,043	858	7,220	1,143	1011
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1011
TELCOM PLANT-OTHER	PLTOTH	216,859	71,398	23,820	33,911	1,452	12,215	0	1011
ACCUM DEPRECIATION	ACCDEP	10,031,111	3,326,804	946,421	1,847,437	54,156	457,724	21,066	1011
ACCUM AMORTIZATION	ACCAMO	31,222	10,081	3,363	4,788	205	1,725	0	1011
NET DEFERRED FIT	NTDFIT	1,218,388	401,189	133,848	190,535	8,158	68,648	0	1011
NETWORK SUPPORT EXP	NETSPX	36,039	11,951	3,959	5,636	241	2,030	84	1011
GENERAL SUPPORT EXP	GSFX	586,063	194,351	63,131	89,874	3,847	32,374	5,125	1011
COE EXPENSE	COEX	440,105	167,570	13,751	95,835	15,412	42,571	0	1011
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1011
C&WF EXPENSE	CWFX	128,136	33,899	29,324	0	401	4,173	0	1011
OTHER PROP & PL EXP	OTHPX	73,871	24,497	8,173	11,635	498	4,191	0	1011
NETWORK OPERATIONS EXP	NETOPX	226,408	75,082	25,049	35,660	1,527	12,845	0	1011
DEPREC & AMORT EXP	DEPAMX	1,274,033	435,916	105,395	249,890	8,340	69,076	3,214	1011
MARKETING EXPENSE	MRKTX	273,427	86,703	28,723	40,890	1,750	14,729	610	1011
SERVICES EXPENSE	SERVX	601,266	202,179	53,024	61,532	2,634	8,569	76,419	1011
- CABSX EXPENSE	CABSX	61,979	30,990	0	22,088	946	7,956	0	1011
EXEC & PLANNING EXP	EXEPLX	1,894,321	641,635	217,099	253,536	19,558	90,307	61,133	1011
GENERAL & ADMIN EXP	GENADX	1,014,967	385,935	130,582	152,499	11,764	54,319	36,771	1011
OTHER TAXES (EXCL FIT & ITC)	OTAXES	233,431	77,955	26,008	37,025	1,585	13,337	0	1011
INVESTMENT TAX CREDITS (ITC)	ITC	5,080	1,673	558	794	34	286	0	1011
NON-OPERATING INC & EXP	NONOPX	71,870	25,385	8,409	11,972	512	4,312	179	1011
INTEREST & RELATED ITEMS(IRI)	INTREL	132,439	42,915	17,147	14,985	1,111	9,313	358	1011

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	44,394	11,565	4,994	3,713	149	2,683	26	1012
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1012
- GENERAL SUPPORT FACILITIES	GSF	1,156,948	426,465	181,706	135,111	5,433	97,621	6,595	1012
- CENTRAL OFFICE EQUIPMENT	COE	3,154,057	1,545,373	240,281	794,093	10,198	500,801	0	1012
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1012
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1012
-- COE CAT 3	COE3	1,600,242	794,093	0	794,093	0	0	0	1012
-- COE CAT 4.11	COE411	430,697	412,623	0	0	0	412,623	0	1012
-- COE CAT 4.12	COE412	35,297	0	0	0	0	0	0	1012
-- COE CAT 4.13	COE413	967,965	242,769	240,281	0	0	2,488	0	1012
-- COE CAT 4.2	COE42	119,856	95,888	0	0	10,198	85,690	0	1012
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1012
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1012
- CABLE & WIRE FACILITIES	CWF	3,540,573	922,349	827,665	0	21,731	72,953	0	1012
-- C&WF CAT 1.1	CWF11	15,000	0	0	0	0	0	0	1012
-- C&WF CAT 1.2	CWF12	8,571	8,571	0	0	0	8,571	0	1012
-- C&WF CAT 1.3	CWF13	3,310,662	827,665	827,665	0	0	0	0	1012
-- C&WF CAT 2	CWF2	143,221	63,911	0	0	0	63,911	0	1012
-- C&WF CAT 3	CWF3	63,119	22,201	0	0	21,731	471	0	1012
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1012
- TANGIBLES	TANGIB	323,056	119,082	50,738	37,727	1,517	27,259	1,841	1012
- INTANGIBLES	INTANG	940	346	150	111	4	80	1	1012
TELCOM PLANT-OTHER	PLTOTH	82,937	30,486	13,193	9,810	394	7,088	0	1012
ACCUM DEPRECIATION	ACCDEP	4,944,042	1,804,108	785,419	612,856	23,136	379,337	3,359	1012
ACCUM AMORTIZATION	ACCAMO	69,307	25,122	10,872	8,084	325	5,841	0	1012
NET DEFERRED FIT	NTDFIT	239,819	88,197	38,169	28,381	1,141	20,506	0	1012
NETWORK SUPPORT EXP	NETSPX	20,989	7,737	3,341	2,484	100	1,795	18	1012
GENERAL SUPPORT EXP	GSFX	270,251	99,618	42,445	31,560	1,269	22,803	1,540	1012
COE EXPENSE	COEX	323,899	158,699	25,728	78,254	1,092	53,624	0	1012
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1012
C&WF EXPENSE	CWFX	161,059	41,957	37,650	0	989	3,319	0	1012
OTHER PROP & PL EXP	OTHPX	1,535	566	245	182	7	132	0	1012
NETWORK OPERATIONS EXP	NETOPX	343,509	126,622	54,798	40,746	1,638	29,440	0	1012
DEPREC & AMORT EXP	DEPAMX	537,994	201,111	78,065	85,383	2,277	34,935	451	1012
MARKETING EXPENSE	MRKTX	102,691	35,948	15,522	11,541	464	8,339	82	1012
SERVICES EXPENSE	SERVX	268,630	78,967	13,176	10,306	408	5,452	49,625	1012
- CABSX EXPENSE	CABSX	26,092	13,046	0	7,401	298	5,347	0	1012
EXEC & PLANNING EXP	EXEPLX	249,728	92,039	34,000	28,446	969	20,294	8,330	1012
GENERAL & ADMIN EXP	GENADX	774,511	308,185	113,845	95,249	3,246	67,954	27,891	1012
OTHER TAXES (EXCL FIT & ITC)	OTAXES	92,139	33,868	14,657	10,899	438	7,874	0	1012
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1012
NON-OPERATING INC & EXP	NONOPX	7,345	2,870	1,239	921	37	666	7	1012
INTEREST & RELATED ITEMS(IRI)	INTREL	14,824	5,555	2,366	1,624	72	1,471	22	1012

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	70,709	19,441	8,270	7,602	572	2,998	0	1013
RTB STOCK	RTBSTK	53,300	20,746	8,826	8,112	610	3,199	0	1013
- GENERAL SUPPORT FACILITIES	GSF	1,119,866	435,891	185,429	170,435	12,818	67,208	0	1013
- CENTRAL OFFICE EQUIPMENT	COE	3,716,503	1,981,651	294,843	1,281,869	57,079	347,861	0	1013
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1013
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1013
-- COE CAT 3	COE3	1,950,043	1,270,677	0	1,270,677	0	0	0	1013
-- COE CAT 4.11	COE411	238,022	238,022	0	0	0	238,022	0	1013
-- COE CAT 4.12	COE412	33,332	0	0	0	0	0	0	1013
-- COE CAT 4.13	COE413	1,193,895	299,771	294,843	0	0	4,928	0	1013
-- COE CAT 4.2	COE42	169,858	134,463	0	0	29,552	104,911	0	1013
-- COE CAT 4.3	COE43	112,131	27,526	0	0	27,526	0	0	1013
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1013
- CABLE & WIRE FACILITIES	CWF	4,779,719	1,314,182	1,111,978	0	40,171	162,034	0	1013
-- C&WF CAT 1.1	CWF11	36,194	0	0	0	0	0	0	1013
-- C&WF CAT 1.2	CWF12	18,586	18,586	0	0	0	18,586	0	1013
-- C&WF CAT 1.3	CWF13	4,447,910	1,111,978	1,111,978	0	0	0	0	1013
-- C&WF CAT 2	CWF2	86,619	71,695	0	0	0	71,695	0	1013
-- C&WF CAT 3	CWF3	123,781	95,568	0	0	23,815	71,753	0	1013
-- C&WF CAT 4	CWF4	66,629	16,356	0	0	16,356	0	0	1013
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1013
- INTANGIBLES	INTANG	280	109	46	43	3	17	0	1013
TELCOM PLANT-OTHER	PLTOTH	40,214	15,653	6,659	6,120	460	2,413	0	1013
ACCUM DEPRECIATION	ACCDEP	6,421,252	2,686,587	949,718	1,289,268	70,637	376,964	0	1013
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1013
NET DEFERRED FIT	NTDFIT	302,989	117,934	50,170	46,112	3,468	18,184	0	1013
NETWORK SUPPORT EXP	NETSPX	5,243	2,041	868	798	60	315	0	1013
GENERAL SUPPORT EXP	GSFX	84,868	33,034	14,053	12,916	971	5,093	0	1013
COE EXPENSE	COEX	160,379	85,998	13,620	53,672	2,637	16,069	0	1013
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1013
C&WF EXPENSE	CWFX	207,500	57,052	48,274	0	1,744	7,034	0	1013
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1013
NETWORK OPERATIONS EXP	NETOPX	142,156	55,332	23,538	21,635	1,627	8,531	0	1013
DEPREC & AMORT EXP	DEPAMX	596,266	243,867	91,674	108,896	6,830	36,466	0	1013
MARKETING EXPENSE	MRKTX	19,393	7,973	3,392	3,118	234	1,229	0	1013
SERVICES EXPENSE	SERVX	350,637	110,604	11,762	43,023	3,209	15,730	36,880	1013
- CABSX EXPENSE	CABSX	117,107	58,554	0	39,845	2,997	15,712	0	1013
EXEC & PLANNING EXP	EXEPLX	446,743	161,335	62,195	56,653	4,394	22,635	15,458	1013
GENERAL & ADMIN EXP	GENADX	480,005	198,393	76,481	69,666	5,403	27,834	19,009	1013
OTHER TAXES (EXCL FIT & ITC)	OTAXES	90,580	33,250	14,145	13,001	978	5,127	0	1013
INVESTMENT TAX CREDITS (ITC)	ITC	10,950	4,262	1,813	1,667	125	657	0	1013
NON-OPERATING INC & EXP	NONOPX	34,356	13,507	5,746	5,281	397	2,083	0	1013
INTEREST & RELATED ITEMS(IRI)	INTREL	19,546	6,360	3,898	1,013	239	1,211	0	1013

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	119,749	33,416	12,726	11,411	1,195	7,977	107	1014
RTB STOCK	RTBSTK	158,150	60,053	22,870	20,508	2,147	14,335	193	1014
- GENERAL SUPPORT FACILITIES	GSF	2,771,460	1,052,390	393,778	353,098	36,966	246,826	21,722	1014
- CENTRAL OFFICE EQUIPMENT	COE	5,401,720	3,021,109	43,663	1,955,999	99,841	921,605	0	1014
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1014
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1014
-- COE CAT 3	COE3	3,838,318	1,955,999	0	1,955,999	0	0	0	1014
-- COE CAT 4.11	COE411	652,430	652,430	0	0	0	652,430	0	1014
-- COE CAT 4.12	COE412	15,696	0	0	0	0	0	0	1014
-- COE CAT 4.13	COE413	177,529	44,539	43,663	0	0	876	0	1014
-- COE CAT 4.2	COE42	307,154	280,979	0	0	12,679	268,300	0	1014
-- COE CAT 4.3	COE43	410,593	87,162	0	0	87,162	0	0	1014
- INFORMATION ORIG/TERM	IOT	1,817	454	454	0	0	0	0	1014
- CABLE & WIRE FACILITIES	CWF	9,632,176	2,687,860	2,137,227	0	104,936	445,697	0	1014
-- C&WF CAT 1.1	CWF11	97,968	0	0	0	0	0	0	1014
-- C&WF CAT 1.2	CWF12	42,861	42,861	0	0	0	42,861	0	1014
-- C&WF CAT 1.3	CWF13	8,548,908	2,137,227	2,137,227	0	0	0	0	1014
-- C&WF CAT 2	CWF2	457,219	400,601	0	0	0	400,601	0	1014
-- C&WF CAT 3	CWF3	24,188	9,302	0	0	7,067	2,235	0	1014
-- C&WF CAT 4	CWF4	461,032	97,869	0	0	97,869	0	0	1014
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1014
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1014
TELCOM PLANT-OTHER	PLTOTH	124,427	47,096	17,994	16,135	1,689	11,279	0	1014
ACCUM DEPRECIATION	ACCDEP	10,618,678	3,879,496	1,597,500	1,431,980	119,651	718,037	12,329	1014
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1014
NET DEFERRED FIT	NTDFIT	867,404	328,306	125,433	112,475	11,775	78,623	0	1014
NETWORK SUPPORT EXP	NETSPX	26,163	9,935	3,783	3,393	355	2,372	32	1014
GENERAL SUPPORT EXP	GSFX	203,247	77,178	28,878	25,895	2,711	18,101	1,593	1014
COE EXPENSE	COEX	348,503	194,913	2,863	125,083	6,546	60,421	0	1014
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1014
C&WF EXPENSE	CWFX	333,911	93,178	74,090	0	3,638	15,451	0	1014
OTHER PROP & PL EXP	OTHPX	5,327	2,023	773	693	73	484	0	1014
NETWORK OPERATIONS EXP	NETOPX	208,149	79,039	30,198	27,078	2,835	18,928	0	1014
DEPREC & AMORT EXP	DEPAMX	1,311,691	527,630	173,250	180,359	20,873	151,644	1,503	1014
MARKETING EXPENSE	MRKTX	31,586	9,312	3,546	3,180	333	2,223	30	1014
SERVICES EXPENSE	SERVX	438,601	143,615	24,192	12,282	1,280	8,479	97,382	1014
- CABSX EXPENSE	CABSX	28,668	14,334	0	7,947	832	5,555	0	1014
EXEC & PLANNING EXP	EXEPLX	528,840	202,114	68,052	60,088	5,404	38,455	30,116	1014
GENERAL & ADMIN EXP	GENADX	769,512	318,808	107,343	94,781	8,523	60,657	47,503	1014
OTHER TAXES (EXCL FIT & ITC)	OTAXES	212,540	78,752	30,088	26,980	2,825	18,860	0	1014
INVESTMENT TAX CREDITS (ITC)	ITC	5,227	1,978	756	678	71	474	0	1014
NON-OPERATING INC & EXP	NONOPX	12,285	4,929	1,877	1,683	176	1,177	16	1014
INTEREST & RELATED ITEMS(IRI)	INTREL	96,083	38,761	13,069	11,726	1,654	12,186	126	1014

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	114,447	31,136	16,425	7,617	2,432	4,459	203	1015
RTB STOCK	RTBSTK	80,750	24,723	13,042	6,048	1,931	3,540	161	1015
- GENERAL SUPPORT FACILITIES	GSF	3,057,645	936,153	483,764	224,336	71,626	131,315	25,112	1015
- CENTRAL OFFICE EQUIPMENT	COE	4,422,367	1,528,464	353,833	718,987	177,986	277,658	0	1015
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1015
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1015
-- COE CAT 3	COE3	2,164,015	718,987	0	718,987	0	0	0	1015
-- COE CAT 4.11	COE411	149,051	149,051	0	0	0	149,051	0	1015
-- COE CAT 4.12	COE412	165,142	0	0	0	0	0	0	1015
-- COE CAT 4.13	COE413	1,421,511	357,832	353,833	0	0	3,999	0	1015
-- COE CAT 4.2	COE42	522,648	302,594	0	0	177,986	124,608	0	1015
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1015
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1015
- CABLE & WIRE FACILITIES	CWF	5,114,400	1,391,388	1,196,614	0	51,571	143,203	0	1015
-- C&WF CAT 1.1	CWF11	7,377	0	0	0	0	0	0	1015
-- C&WF CAT 1.2	CWF12	13,525	13,525	0	0	0	13,525	0	1015
-- C&WF CAT 1.3	CWF13	4,786,455	1,196,614	1,196,614	0	0	0	0	1015
-- C&WF CAT 2	CWF2	188,996	126,916	0	0	0	126,916	0	1015
-- C&WF CAT 3	CWF3	118,047	54,333	0	0	51,571	2,762	0	1015
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1015
- TANGIBLES	TANGIB	22,791	6,978	3,606	1,672	534	979	187	1015
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1015
TELCOM PLANT-OTHER	PLTOTH	33,348	10,143	5,386	2,498	797	1,462	0	1015
ACCUM DEPRECIATION	ACCDEP	5,013,676	1,526,066	788,306	425,760	103,586	194,996	13,417	1015
ACCUM AMORTIZATION	ACCAMO	1,366	407	216	100	32	59	0	1015
NET DEFERRED FIT	NTDFIT	1,118,257	340,139	180,617	83,746	26,745	49,031	0	1015
NETWORK SUPPORT EXP	NETSPX	24,954	7,640	4,030	1,869	597	1,094	50	1015
GENERAL SUPPORT EXP	GSFX	308,042	94,313	48,737	22,601	7,216	13,229	2,530	1015
COE EXPENSE	COEX	207,117	71,584	9,693	39,912	14,373	7,606	0	1015
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1015
C&WF EXPENSE	CWFX	126,401	34,388	29,574	0	1,275	3,539	0	1015
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1015
NETWORK OPERATIONS EXP	NETOPX	227,632	69,694	37,007	17,161	5,479	10,045	0	1015
DEPREC & AMORT EXP	DEPAMX	1,075,998	337,349	146,728	118,087	25,547	45,356	1,631	1015
MARKETING EXPENSE	MRKTX	1,147	355	187	87	28	51	2	1015
SERVICES EXPENSE	SERVX	272,677	92,594	30,844	16,674	4,887	2,877	37,312	1015
- CABSX EXPENSE	CABSX	15,901	7,951	0	4,174	1,333	2,443	0	1015
EXEC & PLANNING EXP	EXEPLX	357,835	115,117	54,135	28,479	9,808	11,137	11,558	1015
GENERAL & ADMIN EXP	GENADX	636,612	226,008	106,284	55,913	19,255	21,865	22,691	1015
OTHER TAXES (EXCL FIT & ITC)	OTAXES	180,963	55,448	29,443	13,654	4,359	7,992	0	1015
INVESTMENT TAX CREDITS (ITC)	ITC	3,535	1,075	571	265	85	155	0	1015
NON-OPERATING INC & EXP	NONOPX	17,971	6,165	3,252	1,508	482	883	40	1015
INTEREST & RELATED ITEMS(IRI)	INTREL	159,266	48,882	26,186	10,705	4,191	7,562	238	1015

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	589,592	172,321	82,797	49,481	2,399	37,644	0	1016
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1016
- GENERAL SUPPORT FACILITIES	GSF	1,885,935	648,379	311,534	186,177	9,027	141,642	0	1016
- CENTRAL OFFICE EQUIPMENT	COE	7,550,841	3,068,790	653,475	1,661,872	58,577	694,866	0	1016
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1016
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1016
-- COE CAT 3	COE3	3,848,618	1,644,144	0	1,644,144	0	0	0	1016
-- COE CAT 4.11	COE411	381,279	381,279	0	0	0	381,279	0	1016
-- COE CAT 4.12	COE412	90,797	0	0	0	0	0	0	1016
-- COE CAT 4.13	COE413	2,641,136	666,548	653,475	0	0	13,073	0	1016
-- COE CAT 4.2	COE42	410,863	343,870	0	0	43,356	300,514	0	1016
-- COE CAT 4.3	COE43	152,718	15,221	0	0	15,221	0	0	1016
- INFORMATION ORIG/TERM	IOT	70,270	17,568	17,568	0	0	0	0	1016
- CABLE & WIRE FACILITIES	CWF	9,392,896	2,745,283	2,139,467	0	22,860	582,956	0	1016
-- C&WF CAT 1.1	CWF11	46,368	0	0	0	0	0	0	1016
-- C&WF CAT 1.2	CWF12	42,801	42,801	0	0	0	42,801	0	1016
-- C&WF CAT 1.3	CWF13	8,557,867	2,139,467	2,139,467	0	0	0	0	1016
-- C&WF CAT 2	CWF2	595,417	536,532	0	0	0	536,532	0	1016
-- C&WF CAT 3	CWF3	30,183	14,497	0	0	10,874	3,623	0	1016
-- C&WF CAT 4	CWF4	120,260	11,986	0	0	11,986	0	0	1016
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1016
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1016
TELCOM PLANT-OTHER	PLTOTH	687,423	236,334	113,554	67,861	3,290	51,628	0	1016
ACCUM DEPRECIATION	ACCDEP	9,237,504	3,213,843	1,419,894	1,158,152	36,677	599,120	0	1016
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1016
NET DEFERRED FIT	NTDFIT	1,649,384	567,054	272,458	162,825	7,895	123,876	0	1016
NETWORK SUPPORT EXP	NETSPX	7,216	2,481	1,192	712	35	542	0	1016
GENERAL SUPPORT EXP	GSFX	224,188	77,075	37,033	22,132	1,073	16,837	0	1016
COE EXPENSE	COEX	537,789	219,829	50,761	110,543	4,550	53,976	0	1016
IOT EXPENSE	IOTX	5,181	1,295	1,295	0	0	0	0	1016
C&WF EXPENSE	CWFX	672,231	196,474	153,117	0	1,636	41,721	0	1016
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1016
NETWORK OPERATIONS EXP	NETOPX	276,653	95,113	45,700	27,311	1,324	20,778	0	1016
DEPREC & AMORT EXP	DEPAMX	1,049,507	392,543	122,627	199,830	4,476	65,611	0	1016
MARKETING EXPENSE	MRKTX	74,635	12,741	6,122	3,658	177	2,783	0	1016
SERVICES EXPENSE	SERVX	452,285	109,975	24,916	30,585	1,481	20,158	32,835	1016
- CABSX EXPENSE	CABSX	95,267	47,634	0	26,327	1,276	20,030	0	1016
EXEC & PLANNING EXP	EXEPLX	433,493	137,206	66,271	35,022	1,846	28,169	5,899	1016
GENERAL & ADMIN EXP	GENADX	686,518	240,904	116,357	61,490	3,241	49,458	10,357	1016
OTHER TAXES (EXCL FIT & ITC)	OTAXES	216,162	71,676	34,439	20,581	998	15,658	0	1016
INVESTMENT TAX CREDITS (ITC)	ITC	4,413	1,517	729	436	21	331	0	1016
NON-OPERATING INC & EXP	NONOPX	5,518	1,916	920	550	27	418	0	1016
INTEREST & RELATED ITEMS(IRI)	INTREL	86,033	29,202	15,173	6,223	481	7,325	0	1016

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	61,883	16,299	8,317	5,499	232	2,245	5	1017
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1017
- GENERAL SUPPORT FACILITIES	GSF	1,160,900	393,255	200,274	132,422	5,586	54,066	907	1017
- CENTRAL OFFICE EQUIPMENT	COE	3,145,377	1,346,720	291,332	786,229	26,203	242,955	0	1017
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1017
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1017
-- COE CAT 3	COE3	1,666,051	786,229	0	786,229	0	0	0	1017
-- COE CAT 4.11	COE411	233,148	233,148	0	0	0	233,148	0	1017
-- COE CAT 4.12	COE412	4,007	0	0	0	0	0	0	1017
-- COE CAT 4.13	COE413	1,172,386	291,332	291,332	0	0	0	0	1017
-- COE CAT 4.2	COE42	68,098	35,770	0	0	25,963	9,807	0	1017
-- COE CAT 4.3	COE43	1,687	240	0	0	240	0	0	1017
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1017
- CABLE & WIRE FACILITIES	CWF	3,731,333	982,768	897,753	0	6,966	78,049	0	1017
-- C&WF CAT 1.1	CWF11	21,748	0	0	0	0	0	0	1017
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1017
-- C&WF CAT 1.3	CWF13	3,591,013	897,753	897,753	0	0	0	0	1017
-- C&WF CAT 2	CWF2	103,271	78,049	0	0	0	78,049	0	1017
-- C&WF CAT 3	CWF3	14,813	6,896	0	0	6,896	0	0	1017
-- C&WF CAT 4	CWF4	488	69	0	0	69	0	0	1017
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1017
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1017
TELCOM PLANT-OTHER	PLTOTH	107,757	36,491	18,627	12,316	520	5,028	0	1017
ACCUM DEPRECIATION	ACCDEP	5,217,983	1,759,009	887,584	647,755	20,663	202,389	617	1017
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1017
NET DEFERRED FIT	NTDFIT	347,357	117,596	60,056	39,699	1,671	16,171	0	1017
NETWORK SUPPORT EXP	NETSPX	92	31	16	11	0	4	0	1017
GENERAL SUPPORT EXP	GSFX	97,278	32,953	16,782	11,096	468	4,530	76	1017
COE EXPENSE	COEX	271,649	116,309	23,326	60,893	12,637	19,453	0	1017
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1017
C&WF EXPENSE	CWFX	266,560	70,207	64,134	0	498	5,576	0	1017
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1017
NETWORK OPERATIONS EXP	NETOPX	193,845	65,665	33,519	22,163	935	9,049	0	1017
DEPREC & AMORT EXP	DEPAMX	571,327	201,717	92,242	75,297	3,232	30,887	59	1017
MARKETING EXPENSE	MRKTX	20,265	7,854	4,008	2,650	112	1,082	3	1017
SERVICES EXPENSE	SERVX	101,341	43,444	15,283	10,358	437	696	16,670	1017
- CABSX EXPENSE	CABSX	4,903	2,451	0	1,690	71	690	0	1017
EXEC & PLANNING EXP	EXEPLX	123,997	44,081	22,146	13,104	1,845	4,939	2,048	1017
GENERAL & ADMIN EXP	GENADX	421,289	196,122	98,532	58,300	8,207	21,972	9,111	1017
OTHER TAXES (EXCL FIT & ITC)	OTAXES	121,261	53,033	27,256	16,871	838	8,063	5	1017
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1017
NON-OPERATING INC & EXP	NONOPX	355	156	80	53	2	22	0	1017
INTEREST & RELATED ITEMS(IRI)	INTREL	191	65	33	22	1	9	0	1017

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	31,360	8,303	3,097	3,557	149	1,500	0	1018
RTB STOCK	RTBSTK	25,700	9,872	3,683	4,229	178	1,783	0	1018
- GENERAL SUPPORT FACILITIES	GSF	1,871,342	718,800	268,145	307,900	12,926	129,829	0	1018
- CENTRAL OFFICE EQUIPMENT	COE	3,079,870	1,602,694	106,882	1,085,244	37,712	372,856	0	1018
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1018
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1018
-- COE CAT 3	COE3	2,084,670	1,085,244	0	1,085,244	0	0	0	1018
-- COE CAT 4.11	COE411	277,879	277,879	0	0	0	277,879	0	1018
-- COE CAT 4.12	COE412	14,876	0	0	0	0	0	0	1018
-- COE CAT 4.13	COE413	435,025	110,396	106,882	0	0	3,514	0	1018
-- COE CAT 4.2	COE42	204,480	118,695	0	0	27,232	91,463	0	1018
-- COE CAT 4.3	COE43	62,940	10,480	0	0	10,480	0	0	1018
- INFORMATION ORIG/TERM	IOT	5,278	1,320	1,278	0	0	42	0	1018
- CABLE & WIRE FACILITIES	CWF	3,510,708	929,517	836,961	0	7,849	84,707	0	1018
-- C&WF CAT 1.1	CWF11	31,185	0	0	0	0	0	0	1018
-- C&WF CAT 1.2	CWF12	27,517	27,517	0	0	0	27,517	0	1018
-- C&WF CAT 1.3	CWF13	3,347,844	836,961	836,961	0	0	0	0	1018
-- C&WF CAT 2	CWF2	61,073	56,552	0	0	0	56,552	0	1018
-- C&WF CAT 3	CWF3	12,107	3,329	0	0	2,691	638	0	1018
-- C&WF CAT 4	CWF4	30,982	5,159	0	0	5,159	0	0	1018
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1018
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1018
TELCOM PLANT-OTHER	PLTOTH	12,836	4,930	1,839	2,112	89	891	0	1018
ACCUM DEPRECIATION	ACCDEP	3,663,137	1,486,271	449,572	771,107	24,087	241,505	0	1018
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1018
NET DEFERRED FIT	NTDFIT	643,280	247,093	92,167	105,875	4,442	44,610	0	1018
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1018
GENERAL SUPPORT EXP	GSFX	123,734	47,527	17,730	20,358	855	8,584	0	1018
COE EXPENSE	COEX	265,223	138,016	11,583	79,109	6,916	40,408	0	1018
IOT EXPENSE	IOTX	1,729	432	418	0	0	14	0	1018
C&WF EXPENSE	CWFX	140,394	37,172	33,470	0	314	3,387	0	1018
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1018
NETWORK OPERATIONS EXP	NETOPX	227,030	87,204	32,531	37,354	1,568	15,751	0	1018
DEPREC & AMORT EXP	DEPAMX	610,150	250,037	77,658	108,781	5,793	57,805	0	1018
MARKETING EXPENSE	MRKTX	8,715	2,431	907	1,041	44	439	0	1018
SERVICES EXPENSE	SERVX	118,824	57,312	8,553	30,237	1,269	9,430	7,824	1018
- CABSX EXPENSE	CABSX	65,248	32,624	0	22,290	936	9,399	0	1018
EXEC & PLANNING EXP	EXEPLX	167,526	70,925	20,922	31,730	2,070	14,726	1,477	1018
GENERAL & ADMIN EXP	GENADX	563,510	254,631	75,115	113,916	7,431	52,867	5,302	1018
OTHER TAXES (EXCL FIT & ITC)	OTAXES	55,246	35,076	14,550	13,146	668	6,712	0	1018
INVESTMENT TAX CREDITS (ITC)	ITC	402	154	58	66	3	28	0	1018
NON-OPERATING INC & EXP	NONOPX	51,235	22,817	8,512	9,774	410	4,121	0	1018
INTEREST & RELATED ITEMS(IRI)	INTREL	129,012	47,009	20,624	16,177	923	9,285	0	1018

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	505,224	132,537	68,602	38,120	337	25,477	0	1019
RTB STOCK	RTBSTK	276,646	87,283	45,178	25,104	222	16,778	0	1019
- GENERAL SUPPORT FACILITIES	GSF	8,503,781	2,682,980	1,388,725	771,680	6,828	515,748	0	1019
- CENTRAL OFFICE EQUIPMENT	COE	11,264,841	4,335,068	744,032	2,355,056	16,284	1,219,696	0	1019
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1019
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1019
-- COE CAT 3	COE3	6,634,576	2,355,056	0	2,355,056	0	0	0	1019
-- COE CAT 4.11	COE411	948,492	948,492	0	0	0	948,492	0	1019
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1019
-- COE CAT 4.13	COE413	3,056,043	785,866	744,032	0	0	41,834	0	1019
-- COE CAT 4.2	COE42	518,870	229,370	0	0	0	229,370	0	1019
-- COE CAT 4.3	COE43	106,860	16,284	0	0	16,284	0	0	1019
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1019
- CABLE & WIRE FACILITIES	CWF	14,687,472	3,853,000	3,494,156	0	4,553	354,291	0	1019
-- C&WF CAT 1.1	CWF11	178,832	0	0	0	0	0	0	1019
-- C&WF CAT 1.2	CWF12	196,464	196,464	0	0	0	196,464	0	1019
-- C&WF CAT 1.3	CWF13	13,976,625	3,494,156	3,494,156	0	0	0	0	1019
-- C&WF CAT 2	CWF2	303,181	156,863	0	0	0	156,863	0	1019
-- C&WF CAT 3	CWF3	2,491	964	0	0	0	964	0	1019
-- C&WF CAT 4	CWF4	29,879	4,553	0	0	4,553	0	0	1019
- TANGIBLES	TANGIB	2,850,205	899,252	465,458	258,643	2,288	172,863	0	1019
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1019
TELCOM PLANT-OTHER	PLTOTH	175,042	55,227	28,586	15,884	141	10,616	0	1019
ACCUM DEPRECIATION	ACCDEP	16,150,096	4,953,759	2,799,972	1,289,775	11,262	852,750	0	1019
ACCUM AMORTIZATION	ACCAMO	230,080	72,591	37,574	20,879	185	13,954	0	1019
NET DEFERRED FIT	NTDFIT	1,059,620	334,306	173,066	96,122	851	64,267	0	1019
NETWORK SUPPORT EXP	NETSPX	67,008	21,141	10,943	6,081	54	4,064	0	1019
GENERAL SUPPORT EXP	GSFX	530,777	167,462	86,679	48,166	426	32,191	0	1019
COE EXPENSE	COEX	776,989	299,010	26,197	206,472	23,395	42,945	0	1019
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1019
C&WF EXPENSE	CWFX	838,327	219,920	199,438	0	260	20,222	0	1019
OTHER PROP & PL EXP	OTHPPX	77,642	24,496	12,679	7,046	62	4,709	0	1019
NETWORK OPERATIONS EXP	NETOPX	923,830	291,472	150,868	83,833	742	56,030	0	1019
DEPREC & AMORT EXP	DEPAMX	2,660,812	877,900	370,398	325,703	2,381	179,418	0	1019
MARKETING EXPENSE	MRKTX	135,977	30,943	16,016	8,900	79	5,948	0	1019
SERVICES EXPENSE	SERVX	914,160	281,258	141,131	79,095	699	13,269	47,063	1019
- CABSX EXPENSE	CABSX	62,498	31,249	0	18,632	165	12,452	0	1019
EXEC & PLANNING EXP	EXEPLX	393,644	123,118	62,980	38,217	2,236	15,595	4,091	1019
GENERAL & ADMIN EXP	GENADX	1,244,069	443,254	226,742	137,588	8,049	56,144	14,730	1019
OTHER TAXES (EXCL FIT & ITC)	OTAXES	245,744	114,775	56,843	34,480	307	23,145	0	1019
INVESTMENT TAX CREDITS (ITC)	ITC	13,668	4,312	2,232	1,240	11	829	0	1019
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1019
INTEREST & RELATED ITEMS(IRI)	INTREL	343,516	110,275	57,079	31,717	281	21,198	0	1019

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	73,821	20,061	13,076	2,955	1,531	2,499	0	1020
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1020
- GENERAL SUPPORT FACILITIES	GSF	647,434	192,213	125,286	28,315	14,666	23,946	0	1020
- CENTRAL OFFICE EQUIPMENT	COE	3,486,961	1,189,980	538,607	421,861	108,130	121,382	0	1020
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1020
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1020
-- COE CAT 3	COE3	904,224	421,861	0	421,861	0	0	0	1020
-- COE CAT 4.11	COE411	9,899	9,899	0	0	0	9,899	0	1020
-- COE CAT 4.12	COE412	114,308	0	0	0	0	0	0	1020
-- COE CAT 4.13	COE413	2,168,325	545,555	538,607	0	0	6,948	0	1020
-- COE CAT 4.2	COE42	290,205	212,665	0	0	108,130	104,535	0	1020
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1020
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1020
- CABLE & WIRE FACILITIES	CWF	6,159,027	1,673,765	1,328,010	0	110,375	235,380	0	1020
-- C&WF CAT 1.1	CWF11	17,132	0	0	0	0	0	0	1020
-- C&WF CAT 1.2	CWF12	17,132	17,132	0	0	0	17,132	0	1020
-- C&WF CAT 1.3	CWF13	5,312,040	1,328,010	1,328,010	0	0	0	0	1020
-- C&WF CAT 2	CWF2	400,330	0	0	0	0	0	0	1020
-- C&WF CAT 3	CWF3	412,393	328,623	0	0	110,375	218,247	0	1020
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1020
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1020
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1020
TELCOM PLANT-OTHER	PLTOTH	22,239	6,602	4,304	973	504	823	0	1020
ACCUM DEPRECIATION	ACCDEP	3,592,156	1,075,164	686,016	176,433	81,223	131,492	0	1020
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1020
NET DEFERRED FIT	NTDFIT	380,329	112,914	73,598	16,633	8,615	14,067	0	1020
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1020
GENERAL SUPPORT EXP	GSFX	127,402	37,824	24,654	5,572	2,886	4,712	0	1020
COE EXPENSE	COEX	111,281	37,976	14,394	17,448	2,890	3,244	0	1020
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1020
C&WF EXPENSE	CWFX	267,841	72,788	57,752	0	4,800	10,236	0	1020
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1020
NETWORK OPERATIONS EXP	NETOPX	153,831	45,670	29,768	6,728	3,485	5,690	0	1020
DEPREC & AMORT EXP	DEPAMX	668,894	206,249	121,855	45,016	15,559	23,819	0	1020
MARKETING EXPENSE	MRKTX	11,307	2,670	1,740	393	204	333	0	1020
SERVICES EXPENSE	SERVX	183,976	66,544	21,536	9,137	4,373	5,417	26,081	1020
- CABSX EXPENSE	CABSX	24,915	12,458	0	5,270	2,730	4,457	0	1020
EXEC & PLANNING EXP	EXEPLX	127,127	39,391	24,614	5,108	2,424	3,854	3,392	1020
GENERAL & ADMIN EXP	GENADX	409,192	154,970	96,833	20,096	9,535	15,160	13,344	1020
OTHER TAXES (EXCL FIT & ITC)	OTAXES	138,149	41,500	27,192	5,940	3,174	5,194	0	1020
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1020
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1020
INTEREST & RELATED ITEMS(IRI)	INTREL	22,524	6,555	4,322	905	503	825	0	1020

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	65,185	16,978	11,316	2,315	1,100	2,246	0	1021
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1021
- GENERAL SUPPORT FACILITIES	GSF	3,956,496	1,110,891	740,429	151,505	72,005	146,952	0	1021
- CENTRAL OFFICE EQUIPMENT	COE	10,098,136	3,345,377	869,981	1,347,863	403,075	724,458	0	1021
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1021
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1021
-- COE CAT 3	COE3	4,335,804	1,347,863	0	1,347,863	0	0	0	1021
-- COE CAT 4.11	COE411	619,314	619,314	0	0	0	619,314	0	1021
-- COE CAT 4.12	COE412	67,272	0	0	0	0	0	0	1021
-- COE CAT 4.13	COE413	3,491,412	870,602	869,981	0	0	621	0	1021
-- COE CAT 4.2	COE42	1,037,590	431,602	0	0	327,079	104,523	0	1021
-- COE CAT 4.3	COE43	546,744	75,996	0	0	75,996	0	0	1021
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1021
- CABLE & WIRE FACILITIES	CWF	25,100,840	6,537,671	5,717,247	0	237,522	582,903	0	1021
-- C&WF CAT 1.1	CWF11	71,415	0	0	0	0	0	0	1021
-- C&WF CAT 1.2	CWF12	4,081	4,081	0	0	0	4,081	0	1021
-- C&WF CAT 1.3	CWF13	22,868,988	5,717,247	5,717,247	0	0	0	0	1021
-- C&WF CAT 2	CWF2	1,035,394	578,599	0	0	0	578,599	0	1021
-- C&WF CAT 3	CWF3	232,543	114,256	0	0	114,033	223	0	1021
-- C&WF CAT 4	CWF4	888,420	123,489	0	0	123,489	0	0	1021
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1021
- INTANGIBLES	INTANG	5,449	1,530	1,020	209	99	202	0	1021
TELCOM PLANT-OTHER	PLTOTH	487,216	136,799	91,179	18,657	8,867	18,096	0	1021
ACCUM DEPRECIATION	ACCDEP	22,761,500	6,313,838	4,491,600	593,982	400,210	828,046	0	1021
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1021
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1021
NETWORK SUPPORT EXP	NETSPX	432	121	81	17	8	16	0	1021
GENERAL SUPPORT EXP	GSFX	113,922	31,987	21,320	4,362	2,073	4,231	0	1021
COE EXPENSE	COEX	329,517	109,162	16,806	62,743	15,617	13,995	0	1021
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1021
C&WF EXPENSE	CWFX	324,527	84,525	73,918	0	3,071	7,536	0	1021
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1021
NETWORK OPERATIONS EXP	NETOPX	463,309	130,086	86,705	17,741	8,432	17,208	0	1021
DEPREC & AMORT EXP	DEPAMX	3,312,572	944,113	570,773	189,170	61,136	123,034	0	1021
MARKETING EXPENSE	MRKTX	21,709	6,086	4,057	830	394	805	0	1021
SERVICES EXPENSE	SERVX	729,613	293,855	149,120	25,567	12,151	11,262	95,755	1021
- CABSX EXPENSE	CABSX	55,648	27,824	0	11,379	5,408	11,037	0	1021
EXEC & PLANNING EXP	EXEPLX	397,245	132,590	78,219	19,911	7,471	9,853	17,136	1021
GENERAL & ADMIN EXP	GENADX	538,939	208,184	122,814	31,263	11,731	15,470	26,906	1021
OTHER TAXES (EXCL FIT & ITC)	OTAXES	171,377	49,465	32,969	6,746	3,206	6,543	0	1021
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1021
NON-OPERATING INC & EXP	NONOPX	10,283	3,743	2,495	510	243	495	0	1021
INTEREST & RELATED ITEMS(IRI)	INTREL	234,353	66,848	40,442	12,994	4,464	8,947	0	1021

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	134,937	35,908	18,984	8,731	485	7,708	0	1022
RTB STOCK	RTBSTK	93,300	28,337	14,981	6,890	383	6,083	0	1022
- GENERAL SUPPORT FACILITIES	GSF	1,983,730	602,498	318,529	146,500	8,140	129,329	0	1022
- CENTRAL OFFICE EQUIPMENT	COE	4,948,474	1,762,815	266,868	875,664	33,085	587,199	0	1022
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1022
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1022
-- COE CAT 3	COE3	3,163,788	875,664	0	875,664	0	0	0	1022
-- COE CAT 4.11	COE411	526,651	526,651	0	0	0	526,651	0	1022
-- COE CAT 4.12	COE412	5,869	0	0	0	0	0	0	1022
-- COE CAT 4.13	COE413	1,081,907	274,165	266,868	0	0	7,297	0	1022
-- COE CAT 4.2	COE42	121,458	79,476	0	0	26,226	53,250	0	1022
-- COE CAT 4.3	COE43	48,801	6,859	0	0	6,859	0	0	1022
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1022
- CABLE & WIRE FACILITIES	CWF	6,908,761	1,838,461	1,637,060	0	15,570	185,831	0	1022
-- C&WF CAT 1.1	CWF11	43,791	0	0	0	0	0	0	1022
-- C&WF CAT 1.2	CWF12	44,764	44,764	0	0	0	44,764	0	1022
-- C&WF CAT 1.3	CWF13	6,548,240	1,637,060	1,637,060	0	0	0	0	1022
-- C&WF CAT 2	CWF2	190,400	140,615	0	0	0	140,615	0	1022
-- C&WF CAT 3	CWF3	8,987	5,821	0	0	5,369	452	0	1022
-- C&WF CAT 4	CWF4	72,579	10,201	0	0	10,201	0	0	1022
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1022
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1022
TELCOM PLANT-OTHER	PLTOTH	3,715	1,128	597	274	15	242	0	1022
ACCUM DEPRECIATION	ACCDEP	8,381,691	2,459,928	1,480,012	498,142	29,660	452,113	0	1022
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1022
NET DEFERRED FIT	NTDFIT	468,892	142,529	75,392	34,454	1,934	30,748	0	1022
NETWORK SUPPORT EXP	NETSPX	14,035	4,263	2,254	1,036	58	915	0	1022
GENERAL SUPPORT EXP	GSFX	305,075	92,657	48,986	22,530	1,252	19,889	0	1022
COE EXPENSE	COEX	537,709	191,550	19,662	123,782	4,843	43,263	0	1022
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1022
C&WF EXPENSE	CWFX	521,368	138,739	123,540	0	1,175	14,024	0	1022
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1022
NETWORK OPERATIONS EXP	NETOPX	311,740	94,682	50,056	23,022	1,279	20,324	0	1022
DEPREC & AMORT EXP	DEPAMX	1,100,204	348,198	162,354	91,935	5,389	88,520	0	1022
MARKETING EXPENSE	MRKTX	31,271	9,806	5,184	2,384	132	2,105	0	1022
SERVICES EXPENSE	SERVX	656,058	260,339	32,081	64,973	3,610	54,095	105,580	1022
- CABSX EXPENSE	CABSX	234,591	117,296	0	60,513	3,362	53,420	0	1022
EXEC & PLANNING EXP	EXEPLX	222,224	75,054	29,253	21,338	1,108	13,878	9,476	1022
GENERAL & ADMIN EXP	GENADX	723,497	283,286	110,415	80,538	4,183	52,381	35,768	1022
OTHER TAXES (EXCL FIT & ITC)	OTAXES	81,759	28,852	14,753	7,295	400	6,404	0	1022
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1022
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1022
INTEREST & RELATED ITEMS(IRI)	INTREL	435,732	139,062	58,987	41,924	2,167	35,983	0	1022

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	174,092	43,987	23,362	13,280	1,814	5,531	0	1023
RTB STOCK	RTBSTK	115,209	36,762	19,525	11,099	1,516	4,622	0	1023
- GENERAL SUPPORT FACILITIES	GSF	3,879,379	1,237,868	657,448	373,720	51,057	155,643	0	1023
- CENTRAL OFFICE EQUIPMENT	COE	6,636,434	3,049,008	177,114	1,990,065	222,108	659,721	0	1023
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1023
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1023
-- COE CAT 3	COE3	4,180,518	1,990,065	0	1,990,065	0	0	0	1023
-- COE CAT 4.11	COE411	524,195	524,195	0	0	0	524,195	0	1023
-- COE CAT 4.12	COE412	113,818	0	0	0	0	0	0	1023
-- COE CAT 4.13	COE413	718,638	179,510	177,114	0	0	2,396	0	1023
-- COE CAT 4.2	COE42	688,085	283,529	0	0	150,399	133,130	0	1023
-- COE CAT 4.3	COE43	411,180	71,709	0	0	71,709	0	0	1023
- INFORMATION ORIG/TERM	IOT	16,634	4,159	4,103	0	0	56	0	1023
- CABLE & WIRE FACILITIES	CWF	14,004,690	3,538,501	3,319,707	0	49,769	169,026	0	1023
-- C&WF CAT 1.1	CWF11	145,942	0	0	0	0	0	0	1023
-- C&WF CAT 1.2	CWF12	44,905	44,905	0	0	0	44,905	0	1023
-- C&WF CAT 1.3	CWF13	13,278,828	3,319,707	3,319,707	0	0	0	0	1023
-- C&WF CAT 2	CWF2	342,482	122,970	0	0	0	122,970	0	1023
-- C&WF CAT 3	CWF3	42,451	24,745	0	0	23,595	1,151	0	1023
-- C&WF CAT 4	CWF4	150,082	26,174	0	0	26,174	0	0	1023
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1023
- INTANGIBLES	INTANG	75,959	24,238	12,873	7,318	1,000	3,048	0	1023
TELCOM PLANT-OTHER	PLTOTH	1,212,890	387,020	205,552	116,844	15,963	48,662	0	1023
ACCUM DEPRECIATION	ACCDEP	11,165,891	3,620,204	1,835,927	1,130,336	161,923	492,018	0	1023
ACCUM AMORTIZATION	ACCAMO	34,545	11,023	5,854	3,328	455	1,386	0	1023
NET DEFERRED FIT	NTDFIT	980,683	313,169	165,943	94,945	12,914	39,367	0	1023
NETWORK SUPPORT EXP	NETSPX	35,763	11,412	6,061	3,445	471	1,435	0	1023
GENERAL SUPPORT EXP	GSFX	352,680	112,536	59,770	33,975	4,642	14,150	0	1023
COE EXPENSE	COEX	420,287	193,094	3,225	169,727	8,129	12,014	0	1023
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1023
C&WF EXPENSE	CWFX	1,129,324	285,341	267,698	0	4,013	13,630	0	1023
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1023
NETWORK OPERATIONS EXP	NETOPX	249,896	79,739	42,351	24,074	3,289	10,026	0	1023
DEPREC & AMORT EXP	DEPAMX	1,775,843	588,455	278,676	204,120	26,193	79,466	0	1023
MARKETING EXPENSE	MRKTX	367,693	94,617	50,252	28,565	3,903	11,897	0	1023
SERVICES EXPENSE	SERVX	845,303	333,317	76,572	111,215	15,194	33,730	96,606	1023
- CABSX EXPENSE	CABSX	250,874	125,437	0	80,766	11,034	33,637	0	1023
EXEC & PLANNING EXP	EXEPLX	1,207,952	395,409	191,610	125,156	13,372	32,682	32,590	1023
GENERAL & ADMIN EXP	GENADX	1,612,608	577,020	279,615	182,639	19,514	47,693	47,558	1023
OTHER TAXES (EXCL FIT & ITC)	OTAXES	195,886	89,632	48,367	26,730	3,587	10,948	0	1023
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1023
NON-OPERATING INC & EXP	NONOPX	765	264	140	80	11	33	0	1023
INTEREST & RELATED ITEMS(IRI)	INTREL	233,384	73,313	40,363	21,516	2,818	8,616	0	1023

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	582,378	145,552	97,734	18,191	6,757	22,870	0	1024
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1024
- GENERAL SUPPORT FACILITIES	GSF	7,701,413	2,203,172	1,479,370	275,345	102,284	346,173	0	1024
- CENTRAL OFFICE EQUIPMENT	COE	15,453,201	5,048,214	2,144,533	1,173,117	368,365	1,362,199	0	1024
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1024
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1024
-- COE CAT 3	COE3	3,907,422	1,173,117	0	1,173,117	0	0	0	1024
-- COE CAT 4.11	COE411	1,151,711	1,151,711	0	0	0	1,151,711	0	1024
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1024
-- COE CAT 4.13	COE413	8,735,967	2,169,542	2,144,533	0	0	25,009	0	1024
-- COE CAT 4.2	COE42	1,658,101	553,844	0	0	368,365	185,479	0	1024
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1024
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1024
- CABLE & WIRE FACILITIES	CWF	17,358,974	4,338,488	4,158,380	0	67,422	112,686	0	1024
-- C&WF CAT 1.1	CWF11	257,558	0	0	0	0	0	0	1024
-- C&WF CAT 1.2	CWF12	48,494	48,494	0	0	0	48,494	0	1024
-- C&WF CAT 1.3	CWF13	16,633,520	4,158,380	4,158,380	0	0	0	0	1024
-- C&WF CAT 2	CWF2	240,134	62,682	0	0	0	62,682	0	1024
-- C&WF CAT 3	CWF3	179,268	68,932	0	0	67,422	1,510	0	1024
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1024
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1024
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1024
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1024
ACCUM DEPRECIATION	ACCDEP	21,077,829	6,195,041	3,749,185	1,036,426	314,810	1,094,620	0	1024
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1024
NET DEFERRED FIT	NTDFIT	1,195,062	341,531	229,089	43,720	15,692	53,030	0	1024
NETWORK SUPPORT EXP	NETSPX	136,554	39,065	26,231	4,882	1,814	6,138	0	1024
GENERAL SUPPORT EXP	GSFX	1,311,468	375,177	251,921	46,888	17,418	58,950	0	1024
COE EXPENSE	COEX	2,036,484	665,274	312,405	67,149	87,282	198,438	0	1024
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1024
C&WF EXPENSE	CWFX	1,151,731	287,849	275,900	0	4,473	7,476	0	1024
OTHER PROP & PL EXP	OTHPX	57,258	16,380	10,999	2,047	760	2,574	0	1024
NETWORK OPERATIONS EXP	NETOPX	1,108,072	316,990	212,850	39,616	14,717	49,807	0	1024
DEPREC & AMORT EXP	DEPAMX	2,781,625	814,694	512,506	113,775	42,167	146,245	0	1024
MARKETING EXPENSE	MRKTX	625,658	96,484	64,786	12,058	4,479	15,160	0	1024
SERVICES EXPENSE	SERVX	529,363	160,438	54,534	25,223	9,370	23,709	47,602	1024
- CABSX EXPENSE	CABSX	98,808	49,404	0	18,794	6,982	23,628	0	1024
EXEC & PLANNING EXP	EXEPLX	542,390	151,936	96,605	14,636	10,379	26,795	3,521	1024
GENERAL & ADMIN EXP	GENADX	1,247,735	412,690	262,401	39,754	28,191	72,782	9,564	1024
OTHER TAXES (EXCL FIT & ITC)	OTAXES	196,157	92,350	65,791	9,120	4,039	13,401	0	1024
INVESTMENT TAX CREDITS (ITC)	ITC	17,305	4,951	3,324	619	230	778	0	1024
NON-OPERATING INC & EXP	NONOPX	10,502	3,312	2,224	414	154	520	0	1024
INTEREST & RELATED ITEMS(IRI)	INTREL	217,908	60,185	45,052	4,549	2,489	8,095	0	1024

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	10,603	2,671	1,481	1,068	52	69	0	1025
RTB STOCK	RTBSTK	6,090	1,622	900	648	32	42	0	1025
- GENERAL SUPPORT FACILITIES	GSF	570,868	152,021	84,329	60,782	2,984	3,926	0	1025
- CENTRAL OFFICE EQUIPMENT	COE	1,256,965	361,600	17,714	332,179	1,185	10,523	0	1025
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1025
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1025
-- COE CAT 3	COE3	1,155,352	332,179	0	332,179	0	0	0	1025
-- COE CAT 4.11	COE411	2,468	2,468	0	0	0	2,468	0	1025
-- COE CAT 4.12	COE412	1,310	0	0	0	0	0	0	1025
-- COE CAT 4.13	COE413	71,485	17,714	17,714	0	0	0	0	1025
-- COE CAT 4.2	COE42	26,350	9,240	0	0	1,185	8,055	0	1025
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1025
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1025
- CABLE & WIRE FACILITIES	CWF	1,862,895	469,213	443,155	0	15,123	10,935	0	1025
-- C&WF CAT 1.1	CWF11	15,749	0	0	0	0	0	0	1025
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1025
-- C&WF CAT 1.3	CWF13	1,772,619	443,155	443,155	0	0	0	0	1025
-- C&WF CAT 2	CWF2	46,699	10,935	0	0	0	10,935	0	1025
-- C&WF CAT 3	CWF3	27,828	15,123	0	0	15,123	0	0	1025
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1025
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1025
- INTANGIBLES	INTANG	44	12	6	5	0	0	0	1025
TELCOM PLANT-OTHER	PLTOTH	162,712	43,330	24,036	17,324	851	1,119	0	1025
ACCUM DEPRECIATION	ACCDEP	1,465,034	374,451	315,294	38,855	10,855	9,446	0	1025
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1025
NET DEFERRED FIT	NTDFIT	306,919	81,723	45,564	32,337	1,617	2,204	0	1025
NETWORK SUPPORT EXP	NETSPX	967	258	143	103	5	7	0	1025
GENERAL SUPPORT EXP	GSFX	31,033	8,264	4,584	3,304	162	213	0	1025
COE EXPENSE	COEX	15,385	4,426	395	3,186	610	235	0	1025
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1025
C&WF EXPENSE	CWFX	92,609	23,326	22,030	0	752	544	0	1025
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1025
NETWORK OPERATIONS EXP	NETOPX	29,862	7,952	4,411	3,179	156	205	0	1025
DEPREC & AMORT EXP	DEPAMX	278,426	74,760	36,137	36,039	1,258	1,326	0	1025
MARKETING EXPENSE	MRKTX	4,429	1,142	634	457	22	29	0	1025
SERVICES EXPENSE	SERVX	248,330	64,326	15,131	22,049	1,083	1,356	24,707	1025
- CABSX EXPENSE	CABSX	46,642	23,321	0	20,940	1,028	1,353	0	1025
EXEC & PLANNING EXP	EXEPLX	195,168	50,550	21,810	14,875	1,286	1,193	11,386	1025
GENERAL & ADMIN EXP	GENADX	154,722	49,360	21,297	14,525	1,256	1,165	11,118	1025
OTHER TAXES (EXCL FIT & ITC)	OTAXES	33,948	12,789	6,171	6,066	221	331	0	1025
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1025
NON-OPERATING INC & EXP	NONOPX	443	126	70	51	2	3	0	1025
INTEREST & RELATED ITEMS(IRI)	INTREL	38,039	10,411	3,891	6,106	143	271	0	1025

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	179,102	45,211	23,070	16,245	1,254	4,643	0	1026
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1026
- GENERAL SUPPORT FACILITIES	GSF	4,986,547	1,495,361	763,030	537,299	41,464	153,568	0	1026
- CENTRAL OFFICE EQUIPMENT	COE	9,455,033	3,294,295	636,623	2,060,959	132,932	463,782	0	1026
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1026
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1026
-- COE CAT 3	COE3	5,657,219	2,060,959	0	2,060,959	0	0	0	1026
-- COE CAT 4.11	COE411	302,273	302,273	0	0	0	302,273	0	1026
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1026
-- COE CAT 4.13	COE413	2,606,235	650,371	636,623	0	0	13,749	0	1026
-- COE CAT 4.2	COE42	717,442	257,747	0	0	109,987	147,760	0	1026
-- COE CAT 4.3	COE43	171,864	22,946	0	0	22,946	0	0	1026
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1026
- CABLE & WIRE FACILITIES	CWF	9,672,259	2,441,579	2,290,190	0	26,116	125,272	0	1026
-- C&WF CAT 1.1	CWF11	165,464	0	0	0	0	0	0	1026
-- C&WF CAT 1.2	CWF12	49,459	49,459	0	0	0	49,459	0	1026
-- C&WF CAT 1.3	CWF13	9,160,762	2,290,190	2,290,190	0	0	0	0	1026
-- C&WF CAT 2	CWF2	163,526	72,355	0	0	0	72,355	0	1026
-- C&WF CAT 3	CWF3	57,690	19,513	0	0	16,055	3,458	0	1026
-- C&WF CAT 4	CWF4	75,358	10,061	0	0	10,061	0	0	1026
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1026
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1026
TELCOM PLANT-OTHER	PLTOTH	810,041	242,914	123,951	87,282	6,736	24,946	0	1026
ACCUM DEPRECIATION	ACCDEP	16,999,126	5,158,224	2,427,639	2,156,193	121,472	452,919	0	1026
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1026
NET DEFERRED FIT	NTDFIT	408,569	122,495	62,481	44,196	3,361	12,457	0	1026
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1026
GENERAL SUPPORT EXP	GSFX	1,201,131	360,194	183,794	129,421	9,988	36,991	0	1026
COE EXPENSE	COEX	517,155	180,186	17,195	138,489	11,975	12,527	0	1026
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1026
C&WF EXPENSE	CWFX	815,486	205,854	193,090	0	2,202	10,562	0	1026
OTHER PROP & PL EXP	OTHPXX	0	0	0	0	0	0	0	1026
NETWORK OPERATIONS EXP	NETOPX	909,002	272,591	139,093	97,945	7,559	27,994	0	1026
DEPREC & AMORT EXP	DEPAMX	2,114,854	667,626	272,480	281,673	24,738	88,736	0	1026
MARKETING EXPENSE	MRKTX	40,369	9,283	4,737	3,336	257	953	0	1026
SERVICES EXPENSE	SERVX	662,027	244,374	57,321	44,969	3,502	6,191	132,391	1026
- CABSX EXPENSE	CABSX	58,762	29,381	0	21,556	1,664	6,161	0	1026
EXEC & PLANNING EXP	EXEPLX	1,454,703	450,778	223,311	139,103	11,917	31,981	44,466	1026
GENERAL & ADMIN EXP	GENADX	1,566,070	506,026	250,681	156,152	13,378	35,900	49,916	1026
OTHER TAXES (EXCL FIT & ITC)	OTAXES	113,498	47,339	25,751	14,646	1,481	5,462	0	1026
INVESTMENT TAX CREDITS (ITC)	ITC	24,874	7,459	3,806	2,680	207	766	0	1026
NON-OPERATING INC & EXP	NONOPX	9,787	3,100	1,582	1,114	86	318	0	1026
INTEREST & RELATED ITEMS(IRI)	INTREL	217,058	63,144	37,648	14,647	2,324	8,526	0	1026

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	81,863	20,978	9,680	8,540	502	2,213	42	1027
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1027
- GENERAL SUPPORT FACILITIES	GSF	4,050,938	1,294,432	593,308	523,440	30,766	135,656	11,263	1027
- CENTRAL OFFICE EQUIPMENT	COE	6,457,908	2,522,442	302,260	1,791,846	89,319	339,018	0	1027
-- COE CAT 1	COE1	46,660	1,035	0	1,035	0	0	0	1027
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1027
-- COE CAT 3	COE3	4,374,243	1,790,811	0	1,790,811	0	0	0	1027
-- COE CAT 4.11	COE411	170,771	170,771	0	0	0	170,771	0	1027
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1027
-- COE CAT 4.13	COE413	1,237,833	311,936	302,260	0	0	9,676	0	1027
-- COE CAT 4.2	COE42	628,401	247,889	0	0	89,319	158,571	0	1027
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1027
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1027
- CABLE & WIRE FACILITIES	CWF	7,288,810	1,870,122	1,728,761	0	16,000	125,361	0	1027
-- C&WF CAT 1.1	CWF11	109,334	0	0	0	0	0	0	1027
-- C&WF CAT 1.2	CWF12	55,342	55,342	0	0	0	55,342	0	1027
-- C&WF CAT 1.3	CWF13	6,915,042	1,728,761	1,728,761	0	0	0	0	1027
-- C&WF CAT 2	CWF2	159,673	68,825	0	0	0	68,825	0	1027
-- C&WF CAT 3	CWF3	49,419	17,194	0	0	16,000	1,194	0	1027
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1027
- TANGIBLES	TANGIB	131,158	41,910	19,340	17,062	1,003	4,422	83	1027
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1027
TELCOM PLANT-OTHER	PLTOTH	61	19	9	8	0	2	0	1027
ACCUM DEPRECIATION	ACCDEP	13,148,080	4,319,792	1,769,370	2,011,158	99,118	431,553	8,593	1027
ACCUM AMORTIZATION	ACCAMO	110,907	35,120	16,239	14,326	842	3,713	0	1027
NET DEFERRED FIT	NTDFIT	27,922	8,903	4,127	3,595	219	962	0	1027
NETWORK SUPPORT EXP	NETSPX	12,715	4,063	1,875	1,654	97	429	8	1027
GENERAL SUPPORT EXP	GSFX	546,134	174,511	79,988	70,568	4,148	18,289	1,518	1027
COE EXPENSE	COEX	864,946	338,581	22,784	279,593	10,650	25,554	0	1027
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1027
C&WF EXPENSE	CWFX	317,182	81,381	75,229	0	696	5,455	0	1027
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1027
NETWORK OPERATIONS EXP	NETOPX	209,844	67,053	31,004	27,353	1,608	7,089	0	1027
DEPREC & AMORT EXP	DEPAMX	1,415,268	492,143	140,696	316,391	6,251	28,341	464	1027
MARKETING EXPENSE	MRKTX	231,650	51,664	23,841	21,033	1,236	5,451	102	1027
SERVICES EXPENSE	SERVX	556,087	125,598	22,586	27,702	1,328	4,454	69,529	1027
- CABSX EXPENSE	CABSX	45,058	22,529	0	17,094	1,005	4,430	0	1027
EXEC & PLANNING EXP	EXEPLX	1,586,370	483,360	163,979	233,397	10,779	36,392	38,812	1027
GENERAL & ADMIN EXP	GENADX	692,280	235,643	79,942	113,784	5,255	17,742	18,921	1027
OTHER TAXES (EXCL FIT & ITC)	OTAXES	123,743	50,123	25,454	17,856	1,245	5,542	27	1027
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1027
NON-OPERATING INC & EXP	NONOPX	12,119	3,821	1,763	1,556	91	403	8	1027
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1027

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	70,184	17,325	10,641	3,360	285	3,039	0	1028
RTB STOCK	RTBSTK	124,510	36,014	22,119	6,984	593	6,318	0	1028
- GENERAL SUPPORT FACILITIES	GSF	3,950,897	1,142,779	701,862	221,626	18,814	200,478	0	1028
- CENTRAL OFFICE EQUIPMENT	COE	6,303,858	2,129,816	678,853	759,123	61,096	630,744	0	1028
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1028
-- COE CAT 2	COE2	45,072	21,174	0	0	21,174	0	0	1028
-- COE CAT 3	COE3	2,551,632	759,123	0	759,123	0	0	0	1028
-- COE CAT 4.11	COE411	607,425	607,425	0	0	0	607,425	0	1028
-- COE CAT 4.12	COE412	129,597	0	0	0	0	0	0	1028
-- COE CAT 4.13	COE413	2,784,843	689,682	678,853	0	0	10,829	0	1028
-- COE CAT 4.2	COE42	176,263	51,500	0	0	39,010	12,490	0	1028
-- COE CAT 4.3	COE43	9,026	912	0	0	912	0	0	1028
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1028
- CABLE & WIRE FACILITIES	CWF	7,228,926	1,784,480	1,725,193	0	3,345	55,942	0	1028
-- C&WF CAT 1.1	CWF11	148,926	0	0	0	0	0	0	1028
-- C&WF CAT 1.2	CWF12	27,519	27,519	0	0	0	27,519	0	1028
-- C&WF CAT 1.3	CWF13	6,900,773	1,725,193	1,725,193	0	0	0	0	1028
-- C&WF CAT 2	CWF2	140,821	28,325	0	0	0	28,325	0	1028
-- C&WF CAT 3	CWF3	9,069	3,259	0	0	3,161	98	0	1028
-- C&WF CAT 4	CWF4	1,818	184	0	0	184	0	0	1028
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1028
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1028
TELCOM PLANT-OTHER	PLTOTH	554,586	160,411	98,520	31,110	2,641	28,141	0	1028
ACCUM DEPRECIATION	ACCDEP	9,243,565	2,655,716	1,707,003	441,172	41,652	465,889	0	1028
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1028
NET DEFERRED FIT	NTDFIT	738,428	213,559	131,171	41,451	3,514	37,423	0	1028
NETWORK SUPPORT EXP	NETSPX	11,438	3,308	2,032	642	54	580	0	1028
GENERAL SUPPORT EXP	GSFX	535,214	154,808	95,079	30,023	2,549	27,158	0	1028
COE EXPENSE	COEX	551,539	186,343	30,557	99,720	27,674	28,391	0	1028
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1028
C&WF EXPENSE	CWFX	391,275	96,587	93,378	0	181	3,028	0	1028
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1028
NETWORK OPERATIONS EXP	NETOPX	74,556	21,565	13,245	4,182	355	3,783	0	1028
DEPREC & AMORT EXP	DEPAMX	1,331,213	400,741	221,321	85,268	7,827	86,325	0	1028
MARKETING EXPENSE	MRKTX	37,878	13,250	8,138	2,570	218	2,324	0	1028
SERVICES EXPENSE	SERVX	320,032	85,446	18,754	13,145	1,116	9,028	43,403	1028
- CABSX EXPENSE	CABSX	39,457	19,729	0	9,916	842	8,970	0	1028
EXEC & PLANNING EXP	EXEPLX	483,284	141,684	70,710	35,539	7,602	17,569	10,264	1028
GENERAL & ADMIN EXP	GENADX	610,082	207,961	103,786	52,163	11,158	25,787	15,065	1028
OTHER TAXES (EXCL FIT & ITC)	OTAXES	122,515	46,711	28,184	9,549	783	8,195	0	1028
INVESTMENT TAX CREDITS (ITC)	ITC	3,847	1,113	683	216	18	195	0	1028
NON-OPERATING INC & EXP	NONOPX	14,443	4,619	2,837	896	76	810	0	1028
INTEREST & RELATED ITEMS(IRI)	INTREL	317,723	92,477	53,799	20,849	1,604	16,225	0	1028

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	460,497	110,741	71,428	27,934	4,703	5,883	793	1029
RTB STOCK	RTBSTK	94,350	25,386	16,374	6,404	1,078	1,349	182	1029
- GENERAL SUPPORT FACILITIES	GSF	5,847,277	1,573,294	979,097	382,904	64,462	80,640	66,191	1029
- CENTRAL OFFICE EQUIPMENT	COE	10,160,596	3,258,572	773,063	1,949,671	285,552	250,286	0	1029
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1029
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1029
-- COE CAT 3	COE3	5,011,080	1,949,671	0	1,949,671	0	0	0	1029
-- COE CAT 4.11	COE411	132,682	132,682	0	0	0	132,682	0	1029
-- COE CAT 4.12	COE412	441,717	0	0	0	0	0	0	1029
-- COE CAT 4.13	COE413	3,197,203	784,789	773,063	0	0	11,726	0	1029
-- COE CAT 4.2	COE42	1,377,914	391,430	0	0	285,552	105,878	0	1029
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1029
- INFORMATION ORIG/TERM	IOT	6,631	1,658	1,633	0	0	25	0	1029
- CABLE & WIRE FACILITIES	CWF	18,353,373	4,413,645	4,210,676	0	42,678	160,292	0	1029
-- C&WF CAT 1.1	CWF11	507,772	0	0	0	0	0	0	1029
-- C&WF CAT 1.2	CWF12	63,871	63,871	0	0	0	63,871	0	1029
-- C&WF CAT 1.3	CWF13	16,842,703	4,210,676	4,210,676	0	0	0	0	1029
-- C&WF CAT 2	CWF2	845,210	93,376	0	0	0	93,376	0	1029
-- C&WF CAT 3	CWF3	93,817	45,723	0	0	42,678	3,045	0	1029
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1029
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1029
- INTANGIBLES	INTANG	2,000	538	347	136	23	29	4	1029
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1029
ACCUM DEPRECIATION	ACCDEP	25,613,151	7,093,397	4,122,613	2,261,150	295,309	358,545	55,781	1029
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1029
NET DEFERRED FIT	NTDFIT	-2,518	-673	-437	-170	-29	-36	0	1029
NETWORK SUPPORT EXP	NETSPX	13,041	3,509	2,263	885	149	186	25	1029
GENERAL SUPPORT EXP	GSFX	642,611	172,904	107,602	42,081	7,084	8,862	7,274	1029
COE EXPENSE	COEX	581,564	186,512	12,832	159,358	10,167	4,155	0	1029
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1029
C&WF EXPENSE	CWFX	1,154,068	277,532	264,769	0	2,684	10,079	0	1029
OTHER PROP & PL EXP	OTHPX	43,303	11,651	7,569	2,960	498	623	0	1029
NETWORK OPERATIONS EXP	NETOPX	794,022	213,643	138,794	54,279	9,138	11,431	0	1029
DEPREC & AMORT EXP	DEPAMX	2,055,478	525,759	383,871	58,754	37,854	41,622	3,658	1029
MARKETING EXPENSE	MRKTX	179,630	39,486	25,469	9,960	1,677	2,098	283	1029
SERVICES EXPENSE	SERVX	1,597,684	405,638	138,213	50,345	8,476	3,797	204,808	1029
- CABSX EXPENSE	CABSX	48,930	24,465	0	17,742	2,987	3,736	0	1029
EXEC & PLANNING EXP	EXEPLX	923,381	240,722	133,860	55,728	6,947	7,183	37,003	1029
GENERAL & ADMIN EXP	GENADX	1,198,321	346,590	192,731	80,237	10,002	10,343	53,277	1029
OTHER TAXES (EXCL FIT & ITC)	OTAXES	237,272	76,247	52,560	16,111	3,297	4,199	80	1029
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1029
NON-OPERATING INC & EXP	NONOPX	43,544	12,053	7,775	3,040	512	640	86	1029
INTEREST & RELATED ITEMS(IRI)	INTREL	368,368	90,613	75,287	5,301	4,068	5,494	462	1029

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	57,432	14,284	8,135	5,647	403	49	50	1030
RTB STOCK	RTBSTK	58,567	17,714	10,089	7,003	499	61	62	1030
- GENERAL SUPPORT FACILITIES	GSF	1,170,682	354,086	199,337	138,355	9,865	1,196	5,334	1030
- CENTRAL OFFICE EQUIPMENT	COE	1,621,200	609,445	122,652	460,379	25,369	1,045	0	1030
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1030
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1030
-- COE CAT 3	COE3	1,044,222	460,379	0	460,379	0	0	0	1030
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1030
-- COE CAT 4.12	COE412	43,305	0	0	0	0	0	0	1030
-- COE CAT 4.13	COE413	493,484	123,291	122,652	0	0	639	0	1030
-- COE CAT 4.2	COE42	40,189	25,775	0	0	25,369	406	0	1030
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1030
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1030
- CABLE & WIRE FACILITIES	CWF	2,215,580	551,034	540,643	0	7,456	2,935	0	1030
-- C&WF CAT 1.1	CWF11	9,855	0	0	0	0	0	0	1030
-- C&WF CAT 1.2	CWF12	2,816	2,816	0	0	0	2,816	0	1030
-- C&WF CAT 1.3	CWF13	2,162,571	540,643	540,643	0	0	0	0	1030
-- C&WF CAT 2	CWF2	28,586	0	0	0	0	0	0	1030
-- C&WF CAT 3	CWF3	11,752	7,575	0	0	7,456	119	0	1030
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1030
- TANGIBLES	TANGIB	13,590	4,110	2,314	1,606	115	14	62	1030
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1030
TELCOM PLANT-OTHER	PLTOTH	111,631	33,644	19,230	13,347	952	115	0	1030
ACCUM DEPRECIATION	ACCDEP	2,724,119	827,069	465,049	332,560	23,883	2,804	2,772	1030
ACCUM AMORTIZATION	ACCAMO	8,895	2,650	1,515	1,051	75	9	0	1030
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1030
NETWORK SUPPORT EXP	NETSPX	818	247	141	98	7	1	1	1030
GENERAL SUPPORT EXP	GSFX	34,918	10,561	5,946	4,127	294	36	159	1030
COE EXPENSE	COEX	99,808	37,520	5,274	31,110	1,091	45	0	1030
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1030
C&WF EXPENSE	CWFX	207,985	51,728	50,752	0	700	276	0	1030
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1030
NETWORK OPERATIONS EXP	NETOPX	94,015	28,436	16,253	11,281	804	98	0	1030
DEPREC & AMORT EXP	DEPAMX	371,359	114,005	61,796	48,224	3,186	373	426	1030
MARKETING EXPENSE	MRKTX	4,362	1,175	669	464	33	4	4	1030
SERVICES EXPENSE	SERVX	215,969	87,636	7,123	44,817	3,197	384	32,116	1030
- CABSX EXPENSE	CABSX	90,423	45,212	0	41,865	2,985	362	0	1030
EXEC & PLANNING EXP	EXEPLX	199,852	66,333	26,300	28,052	1,870	257	9,854	1030
GENERAL & ADMIN EXP	GENADX	261,152	100,401	39,808	42,459	2,830	389	14,915	1030
OTHER TAXES (EXCL FIT & ITC)	OTAXES	33,166	14,582	8,383	5,719	406	50	24	1030
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1030
NON-OPERATING INC & EXP	NONOPX	800	289	165	114	8	1	1	1030
INTEREST & RELATED ITEMS(IRI)	INTREL	54,474	16,342	9,308	6,460	461	56	58	1030

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COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	631,044	172,192	97,734	34,446	3,183	36,829	0	1031
RTB STOCK	RTBSTK	520,364	187,698	106,535	37,548	3,469	40,145	0	1031
- GENERAL SUPPORT FACILITIES	GSF	3,796,269	1,369,332	777,216	273,930	25,311	292,875	0	1031
- CENTRAL OFFICE EQUIPMENT	COE	12,166,336	6,605,637	1,579,467	2,699,314	222,947	2,103,909	0	1031
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1031
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1031
-- COE CAT 3	COE3	3,326,163	2,699,314	0	2,699,314	0	0	0	1031
-- COE CAT 4.11	COE411	1,764,369	1,764,369	0	0	0	1,764,369	0	1031
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1031
-- COE CAT 4.13	COE413	6,381,416	1,624,286	1,579,467	0	0	44,819	0	1031
-- COE CAT 4.2	COE42	559,072	474,876	0	0	180,155	294,721	0	1031
-- COE CAT 4.3	COE43	135,316	42,791	0	0	42,791	0	0	1031
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1031
- CABLE & WIRE FACILITIES	CWF	25,242,232	6,887,808	6,079,244	0	26,472	782,092	0	1031
-- C&WF CAT 1.1	CWF11	72,092	0	0	0	0	0	0	1031
-- C&WF CAT 1.2	CWF12	172,506	172,506	0	0	0	172,506	0	1031
-- C&WF CAT 1.3	CWF13	24,316,976	6,079,244	6,079,244	0	0	0	0	1031
-- C&WF CAT 2	CWF2	613,104	607,060	0	0	0	607,060	0	1031
-- C&WF CAT 3	CWF3	18,365	13,443	0	0	10,918	2,525	0	1031
-- C&WF CAT 4	CWF4	49,188	15,555	0	0	15,555	0	0	1031
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1031
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1031
TELCOM PLANT-OTHER	PLTOTH	1,207,628	435,597	247,239	87,140	8,052	93,166	0	1031
ACCUM DEPRECIATION	ACCDEP	9,572,187	4,108,834	1,676,959	1,478,291	81,872	871,712	0	1031
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1031
NET DEFERRED FIT	NTDFIT	3,993,276	1,439,307	818,027	286,664	26,612	308,004	0	1031
NETWORK SUPPORT EXP	NETSPX	17	6	3	1	0	1	0	1031
GENERAL SUPPORT EXP	GSFX	582,744	210,198	119,306	42,049	3,885	44,958	0	1031
COE EXPENSE	COEX	320,237	173,871	14,282	116,333	24,232	19,024	0	1031
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1031
C&WF EXPENSE	CWFX	693,840	189,327	167,102	0	728	21,498	0	1031
OTHER PROP & PL EXP	OTHPX	53,206	19,192	10,893	3,839	355	4,105	0	1031
NETWORK OPERATIONS EXP	NETOPX	914,236	329,769	187,173	65,969	6,096	70,532	0	1031
DEPREC & AMORT EXP	DEPAMX	2,252,765	942,213	406,816	290,173	21,279	223,944	0	1031
MARKETING EXPENSE	MRKTX	19,206	7,690	4,365	1,538	142	1,645	0	1031
SERVICES EXPENSE	SERVX	1,417,892	723,418	64,935	78,118	7,218	74,375	498,772	1031
- CABSX EXPENSE	CABSX	299,521	149,761	0	69,283	6,402	74,075	0	1031
EXEC & PLANNING EXP	EXEPLX	154,876	65,536	26,474	11,079	1,535	8,498	17,950	1031
GENERAL & ADMIN EXP	GENADX	2,944,070	1,282,459	518,057	216,803	30,040	166,299	351,260	1031
OTHER TAXES (EXCL FIT & ITC)	OTAXES	868,389	373,002	217,544	68,776	6,842	79,840	0	1031
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1031
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1031
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1031

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2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	259,546	67,712	40,199	15,233	2,000	10,279	0	1032
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1032
- GENERAL SUPPORT FACILITIES	GSF	2,861,435	868,775	515,774	195,452	25,662	131,887	0	1032
- CENTRAL OFFICE EQUIPMENT	COE	4,520,964	1,649,502	369,998	733,851	75,978	469,676	0	1032
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1032
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1032
-- COE CAT 3	COE3	2,370,204	733,851	0	733,851	0	0	0	1032
-- COE CAT 4.11	COE411	394,250	394,250	0	0	0	394,250	0	1032
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1032
-- COE CAT 4.13	COE413	1,486,914	373,074	369,998	0	0	3,076	0	1032
-- COE CAT 4.2	COE42	236,752	143,622	0	0	71,272	72,350	0	1032
-- COE CAT 4.3	COE43	32,844	4,706	0	0	4,706	0	0	1032
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1032
- CABLE & WIRE FACILITIES	CWF	6,479,519	1,612,430	1,566,544	0	20,374	25,512	0	1032
-- C&WF CAT 1.1	CWF11	16,280	0	0	0	0	0	0	1032
-- C&WF CAT 1.2	CWF12	13,024	13,024	0	0	0	13,024	0	1032
-- C&WF CAT 1.3	CWF13	6,266,176	1,566,544	1,566,544	0	0	0	0	1032
-- C&WF CAT 2	CWF2	11,964	11,964	0	0	0	11,964	0	1032
-- C&WF CAT 3	CWF3	161,607	19,398	0	0	18,874	524	0	1032
-- C&WF CAT 4	CWF4	10,468	1,500	0	0	1,500	0	0	1032
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1032
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1032
TELCOM PLANT-OTHER	PLTOTH	63,457	19,267	11,438	4,334	569	2,925	0	1032
ACCUM DEPRECIATION	ACCDEP	7,494,513	2,142,971	1,367,360	494,486	49,862	231,263	0	1032
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1032
NET DEFERRED FIT	NTDFIT	638,370	190,291	112,916	42,740	5,637	28,997	0	1032
NETWORK SUPPORT EXP	NETSPX	1,959	595	353	134	18	90	0	1032
GENERAL SUPPORT EXP	GSFX	122,409	37,165	22,064	8,361	1,098	5,642	0	1032
COE EXPENSE	COEX	268,801	98,074	13,320	63,345	4,499	16,909	0	1032
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1032
C&WF EXPENSE	CWFX	281,244	69,988	67,996	0	884	1,107	0	1032
OTHER PROP & PL EXP	OTHPPX	13,564	4,118	2,445	926	122	625	0	1032
NETWORK OPERATIONS EXP	NETOPX	174,028	52,838	31,369	11,887	1,561	8,021	0	1032
DEPREC & AMORT EXP	DEPAMX	967,312	303,889	150,281	85,619	10,416	57,573	0	1032
MARKETING EXPENSE	MRKTX	1,212	180	107	41	5	27	0	1032
SERVICES EXPENSE	SERVX	365,412	41,776	3,002	14,866	1,952	10,031	11,925	1032
- CABSX EXPENSE	CABSX	53,454	26,727	0	14,798	1,943	9,986	0	1032
EXEC & PLANNING EXP	EXEPLX	384,982	96,245	48,514	28,963	2,949	12,350	3,469	1032
GENERAL & ADMIN EXP	GENADX	1,441,648	399,926	201,589	120,348	12,255	51,317	14,415	1032
OTHER TAXES (EXCL FIT & ITC)	OTAXES	118,154	36,234	20,895	8,072	1,157	6,109	0	1032
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1032
NON-OPERATING INC & EXP	NONOPX	27,969	8,879	5,271	1,998	262	1,348	0	1032
INTEREST & RELATED ITEMS(IRI)	INTREL	3,527	1,113	661	250	33	169	0	1032

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	258,957	68,359	33,762	14,223	11,684	8,691	0	1033
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1033
- GENERAL SUPPORT FACILITIES	GSF	3,848,884	1,269,385	628,303	261,921	217,428	161,733	0	1033
- CENTRAL OFFICE EQUIPMENT	COE	9,705,483	3,950,325	766,085	1,435,183	1,100,987	648,070	0	1033
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1033
-- COE CAT 2	COE2	1,806,731	739,341	0	0	739,341	0	0	1033
-- COE CAT 3	COE3	3,115,074	1,417,319	0	1,417,319	0	0	0	1033
-- COE CAT 4.11	COE411	265,845	210,746	0	0	0	210,746	0	1033
-- COE CAT 4.12	COE412	67,032	50,861	0	0	0	50,861	0	1033
-- COE CAT 4.13	COE413	3,086,312	768,573	766,085	0	0	2,487	0	1033
-- COE CAT 4.2	COE42	1,358,070	743,502	0	0	359,526	383,976	0	1033
-- COE CAT 4.3	COE43	6,419	2,119	0	0	2,119	0	0	1033
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1033
- CABLE & WIRE FACILITIES	CWF	11,384,289	3,005,211	2,676,671	0	90,402	238,138	0	1033
-- C&WF CAT 1.1	CWF11	68,076	0	0	0	0	0	0	1033
-- C&WF CAT 1.2	CWF12	8,690	8,690	0	0	0	8,690	0	1033
-- C&WF CAT 1.3	CWF13	10,706,685	2,676,671	2,676,671	0	0	0	0	1033
-- C&WF CAT 2	CWF2	102,506	17,128	0	0	0	17,128	0	1033
-- C&WF CAT 3	CWF3	496,187	302,013	0	0	89,693	212,319	0	1033
-- C&WF CAT 4	CWF4	2,145	708	0	0	708	0	0	1033
- TANGIBLES	TANGIB	44,348	14,626	7,224	3,043	2,500	1,859	0	1033
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1033
TELCOM PLANT-OTHER	PLTOTH	220,416	72,772	35,942	15,141	12,438	9,252	0	1033
ACCUM DEPRECIATION	ACCDEP	15,767,025	5,162,152	2,585,789	1,111,311	870,738	594,314	0	1033
ACCUM AMORTIZATION	ACCAMO	46,269	15,260	7,553	3,149	2,614	1,944	0	1033
NET DEFERRED FIT	NTDFIT	1,926,323	666,712	275,733	175,238	133,184	82,557	0	1033
NETWORK SUPPORT EXP	NETSPX	2,612	861	425	179	147	110	0	1033
GENERAL SUPPORT EXP	GSFX	248,121	81,832	40,504	16,885	14,017	10,426	0	1033
COE EXPENSE	COEX	556,499	226,506	27,549	107,347	68,305	23,305	0	1033
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1033
C&WF EXPENSE	CWFX	491,529	129,753	115,568	0	3,903	10,282	0	1033
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1033
NETWORK OPERATIONS EXP	NETOPX	278,123	91,727	45,402	18,927	15,712	11,687	0	1033
DEPREC & AMORT EXP	DEPAMX	1,489,049	521,530	204,213	147,624	108,093	61,600	0	1033
MARKETING EXPENSE	MRKTX	8,137	1,792	885	373	306	228	0	1033
SERVICES EXPENSE	SERVX	261,857	67,723	15,076	14,792	4,731	2,897	30,227	1033
- CABSX EXPENSE	CABSX	9,951	4,975	0	2,047	1,679	1,249	0	1033
EXEC & PLANNING EXP	EXEPLX	517,925	168,632	76,643	41,096	27,774	15,280	7,837	1033
GENERAL & ADMIN EXP	GENADX	560,782	248,086	112,756	60,460	40,861	22,480	11,530	1033
OTHER TAXES (EXCL FIT & ITC)	OTAXES	211,300	67,116	33,289	13,364	11,409	9,054	0	1033
INVESTMENT TAX CREDITS (ITC)	ITC	35,479	11,714	5,785	2,437	2,002	1,489	0	1033
NON-OPERATING INC & EXP	NONOPX	14,250	5,597	2,764	1,165	957	712	0	1033
INTEREST & RELATED ITEMS(IRI)	INTREL	100,485	33,119	16,357	6,891	5,661	4,211	0	1033

APPENDIX B1

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	357,102	91,117	62,390	12,043	3,612	12,828	244	1034
RTB STOCK	RTBSTK	330,500	89,188	61,069	11,788	3,536	12,557	238	1034
- GENERAL SUPPORT FACILITIES	GSF	8,086,544	2,182,223	1,470,119	283,784	85,111	302,274	40,935	1034
- CENTRAL OFFICE EQUIPMENT	COE	16,947,565	5,039,762	1,364,614	1,740,517	447,434	1,487,197	0	1034
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1034
-- COE CAT 2	COE2	130,341	54,116	0	0	54,116	0	0	1034
-- COE CAT 3	COE3	8,090,951	1,740,517	0	1,740,517	0	0	0	1034
-- COE CAT 4.11	COE411	1,386,065	1,386,065	0	0	0	1,386,065	0	1034
-- COE CAT 4.12	COE412	49,625	0	0	0	0	0	0	1034
-- COE CAT 4.13	COE413	5,509,423	1,380,000	1,364,614	0	0	15,387	0	1034
-- COE CAT 4.2	COE42	630,771	274,567	0	0	188,822	85,745	0	1034
-- COE CAT 4.3	COE43	1,150,389	204,497	0	0	204,497	0	0	1034
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1034
- CABLE & WIRE FACILITIES	CWF	31,718,886	8,093,295	7,651,995	0	74,573	366,728	0	1034
-- C&WF CAT 1.1	CWF11	199,523	0	0	0	0	0	0	1034
-- C&WF CAT 1.2	CWF12	86,280	86,280	0	0	0	86,280	0	1034
-- C&WF CAT 1.3	CWF13	30,607,979	7,651,995	7,651,995	0	0	0	0	1034
-- C&WF CAT 2	CWF2	416,897	279,952	0	0	0	279,952	0	1034
-- C&WF CAT 3	CWF3	10,459	4,363	0	0	3,868	495	0	1034
-- C&WF CAT 4	CWF4	397,747	70,705	0	0	70,705	0	0	1034
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1034
- INTANGIBLES	INTANG	3,453	932	638	123	37	131	2	1034
TELCOM PLANT-OTHER	PLTOTH	3,608,156	971,089	666,709	128,698	38,598	137,084	0	1034
ACCUM DEPRECIATION	ACCDEP	25,464,458	6,836,889	5,510,058	295,792	208,481	808,766	13,792	1034
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1034
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1034
NETWORK SUPPORT EXP	NETSPX	9,933	2,681	1,835	354	106	377	7	1034
GENERAL SUPPORT EXP	GSFX	363,887	98,198	66,154	12,770	3,830	13,602	1,842	1034
COE EXPENSE	COEX	715,451	212,756	19,566	153,537	18,329	21,324	0	1034
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1034
C&WF EXPENSE	CWFX	2,645,257	674,956	638,153	0	6,219	30,584	0	1034
OTHER PROP & PL EXP	OTHPX	586	158	109	21	6	22	0	1034
NETWORK OPERATIONS EXP	NETOPX	1,033,948	279,020	191,563	36,978	11,090	39,388	0	1034
DEPREC & AMORT EXP	DEPAMX	4,273,380	1,133,900	666,110	261,612	47,812	156,087	2,280	1034
MARKETING EXPENSE	MRKTX	103,396	34,039	23,308	4,499	1,349	4,792	91	1034
SERVICES EXPENSE	SERVX	782,514	284,829	87,845	23,853	7,154	14,772	151,205	1034
- CABSX EXPENSE	CABSX	50,619	25,310	0	10,701	3,209	11,399	0	1034
EXEC & PLANNING EXP	EXEPLX	358,065	100,736	67,018	14,017	2,905	7,543	9,252	1034
GENERAL & ADMIN EXP	GENADX	711,460	242,624	161,414	33,760	6,997	18,169	22,284	1034
OTHER TAXES (EXCL FIT & ITC)	OTAXES	529,200	142,427	97,785	18,876	5,661	20,106	0	1034
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1034
NON-OPERATING INC & EXP	NONOPX	4,814	1,545	1,058	204	61	218	4	1034
INTEREST & RELATED ITEMS(IRI)	INTREL	850,152	230,129	138,338	44,529	10,574	35,969	719	1034

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	302,229	81,923	52,949	13,549	1,259	13,668	498	1035
RTB STOCK	RTBSTK	132,938	39,672	25,641	6,561	610	6,619	241	1035
- GENERAL SUPPORT FACILITIES	GSF	5,106,975	1,524,052	953,870	244,091	22,685	246,236	57,169	1035
- CENTRAL OFFICE EQUIPMENT	COE	8,805,156	3,110,083	1,160,257	1,312,733	59,715	577,378	0	1035
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1035
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1035
-- COE CAT 3	COE3	3,273,583	1,312,733	0	1,312,733	0	0	0	1035
-- COE CAT 4.11	COE411	567,821	567,821	0	0	0	567,821	0	1035
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1035
-- COE CAT 4.13	COE413	4,708,388	1,164,467	1,160,257	0	0	4,210	0	1035
-- COE CAT 4.2	COE42	191,795	59,938	0	0	54,591	5,347	0	1035
-- COE CAT 4.3	COE43	63,569	5,124	0	0	5,124	0	0	1035
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1035
- CABLE & WIRE FACILITIES	CWF	17,630,162	4,778,892	3,969,709	0	62,288	746,895	0	1035
-- C&WF CAT 1.1	CWF11	216,063	0	0	0	0	0	0	1035
-- C&WF CAT 1.2	CWF12	14,404	14,404	0	0	0	14,404	0	1035
-- C&WF CAT 1.3	CWF13	15,878,838	3,969,709	3,969,709	0	0	0	0	1035
-- C&WF CAT 2	CWF2	914,728	731,920	0	0	0	731,920	0	1035
-- C&WF CAT 3	CWF3	60,590	18,886	0	0	18,316	571	0	1035
-- C&WF CAT 4	CWF4	545,539	43,972	0	0	43,972	0	0	1035
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1035
- INTANGIBLES	INTANG	5,844	1,744	1,127	288	27	291	11	1035
TELCOM PLANT-OTHER	PLTOTH	3,478,204	1,031,681	670,871	171,673	15,955	173,182	0	1035
ACCUM DEPRECIATION	ACCDEP	13,227,957	3,872,445	2,627,786	530,986	56,876	629,740	27,058	1035
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1035
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1035
NETWORK SUPPORT EXP	NETSPX	3,240	967	625	160	15	161	6	1035
GENERAL SUPPORT EXP	GSFX	621,338	185,423	116,052	29,697	2,760	29,958	6,955	1035
COE EXPENSE	COEX	573,340	202,510	20,409	170,895	1,050	10,156	0	1035
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1035
C&WF EXPENSE	CWFX	1,273,820	345,286	286,821	0	4,500	53,965	0	1035
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1035
NETWORK OPERATIONS EXP	NETOPX	266,283	79,466	51,674	13,223	1,229	13,339	0	1035
DEPREC & AMORT EXP	DEPAMX	2,141,616	654,024	384,210	158,753	9,058	98,497	3,506	1035
MARKETING EXPENSE	MRKTX	42,189	9,303	6,013	1,539	143	1,552	57	1035
SERVICES EXPENSE	SERVX	514,584	217,444	37,581	20,633	1,917	16,670	140,643	1035
- CABSX EXPENSE	CABSX	69,108	34,554	0	16,441	1,528	16,585	0	1035
EXEC & PLANNING EXP	EXEPLX	305,888	97,831	50,813	21,303	1,048	11,348	13,320	1035
GENERAL & ADMIN EXP	GENADX	647,048	237,362	123,283	51,685	2,542	27,534	32,318	1035
OTHER TAXES (EXCL FIT & ITC)	OTAXES	220,861	65,510	42,599	10,901	1,013	10,997	0	1035
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1035
NON-OPERATING INC & EXP	NONOPX	24,078	8,469	5,474	1,401	130	1,413	51	1035
INTEREST & RELATED ITEMS(IRI)	INTREL	711,047	214,332	134,486	38,989	3,380	36,289	1,187	1035

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	1,533,238	390,904	321,062	14,207	3,874	51,073	688	1036
RTB STOCK	RTBSTK	176,050	47,922	39,360	1,742	475	6,261	84	1036
- GENERAL SUPPORT FACILITIES	GSF	11,087,951	3,018,187	2,441,861	108,052	29,466	388,439	50,368	1036
- CENTRAL OFFICE EQUIPMENT	COE	29,134,178	9,051,287	5,338,445	932,627	5,265	2,774,949	0	1036
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1036
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1036
-- COE CAT 3	COE3	4,759,663	932,627	0	932,627	0	0	0	1036
-- COE CAT 4.11	COE411	2,772,684	2,720,174	0	0	0	2,720,174	0	1036
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1036
-- COE CAT 4.13	COE413	21,591,386	5,393,220	5,338,445	0	0	54,775	0	1036
-- COE CAT 4.2	COE42	0	0	0	0	0	0	0	1036
-- COE CAT 4.3	COE43	10,445	5,265	0	0	5,265	0	0	1036
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1036
- CABLE & WIRE FACILITIES	CWF	64,972,065	16,564,826	15,737,980	0	249,061	577,785	0	1036
-- C&WF CAT 1.1	CWF11	538,992	0	0	0	0	0	0	1036
-- C&WF CAT 1.2	CWF12	161,480	161,480	0	0	0	161,480	0	1036
-- C&WF CAT 1.3	CWF13	62,951,919	15,737,980	15,737,980	0	0	0	0	1036
-- C&WF CAT 2	CWF2	811,073	406,896	0	0	0	406,896	0	1036
-- C&WF CAT 3	CWF3	30,315	17,369	0	0	7,960	9,410	0	1036
-- C&WF CAT 4	CWF4	478,286	241,102	0	0	241,102	0	0	1036
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1036
- INTANGIBLES	INTANG	20,039	5,455	4,480	198	54	713	10	1036
TELCOM PLANT-OTHER	PLTOTH	3,222,129	875,735	720,372	31,876	8,693	114,593	201	1036
ACCUM DEPRECIATION	ACCDEP	49,143,611	12,898,667	11,207,241	423,719	156,763	1,081,984	28,960	1036
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1036
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1036
NETWORK SUPPORT EXP	NETSPX	1,207	329	270	12	3	43	1	1036
GENERAL SUPPORT EXP	GSFX	420,827	114,551	92,677	4,101	1,118	14,743	1,912	1036
COE EXPENSE	COEX	842,584	261,771	129,005	65,582	127	67,057	0	1036
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1036
C&WF EXPENSE	CWFX	2,006,478	511,558	486,023	0	7,692	17,843	0	1036
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1036
NETWORK OPERATIONS EXP	NETOPX	833,374	226,848	186,646	8,259	2,252	29,691	0	1036
DEPREC & AMORT EXP	DEPAMX	7,368,218	2,088,522	1,613,606	80,267	15,803	376,103	2,743	1036
MARKETING EXPENSE	MRKTX	5,293	1,158	951	42	11	151	2	1036
SERVICES EXPENSE	SERVX	1,287,771	229,549	26,848	19,364	1,193	5,158	176,987	1036
- CABSX EXPENSE	CABSX	13,903	6,951	0	1,428	389	5,134	0	1036
EXEC & PLANNING EXP	EXEPLX	538,385	133,191	96,677	8,397	1,069	11,617	15,430	1036
GENERAL & ADMIN EXP	GENADX	1,237,700	391,298	284,024	24,670	3,141	34,129	45,333	1036
OTHER TAXES (EXCL FIT & ITC)	OTAXES	838,478	227,836	187,459	8,295	2,262	29,820	0	1036
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1036
NON-OPERATING INC & EXP	NONOPX	36,061	10,649	8,746	387	106	1,391	19	1036
INTEREST & RELATED ITEMS(IRI)	INTREL	842,531	235,583	184,738	9,205	1,922	39,393	325	1036

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	90,731	22,581	17,211	3,524	1,222	625	0	1037
RTB STOCK	RTBSTK	55,100	14,657	11,171	2,287	793	405	0	1037
- GENERAL SUPPORT FACILITIES	GSF	2,336,009	621,397	473,620	96,967	33,619	17,191	0	1037
- CENTRAL OFFICE EQUIPMENT	COE	3,790,513	1,157,128	418,833	517,993	138,274	82,028	0	1037
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1037
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1037
-- COE CAT 3	COE3	1,502,596	517,993	0	517,993	0	0	0	1037
-- COE CAT 4.11	COE411	44,874	4,500	0	0	0	4,500	0	1037
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1037
-- COE CAT 4.13	COE413	1,691,411	420,688	418,833	0	0	1,855	0	1037
-- COE CAT 4.2	COE42	551,632	213,946	0	0	138,274	75,673	0	1037
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1037
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1037
- CABLE & WIRE FACILITIES	CWF	8,688,297	2,162,337	2,111,213	0	41,318	9,805	0	1037
-- C&WF CAT 1.1	CWF11	71,699	0	0	0	0	0	0	1037
-- C&WF CAT 1.2	CWF12	9,352	9,352	0	0	0	9,352	0	1037
-- C&WF CAT 1.3	CWF13	8,444,853	2,111,213	2,111,213	0	0	0	0	1037
-- C&WF CAT 2	CWF2	21,452	317	0	0	0	317	0	1037
-- C&WF CAT 3	CWF3	140,941	41,454	0	0	41,318	136	0	1037
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1037
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1037
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1037
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1037
ACCUM DEPRECIATION	ACCDEP	6,841,998	1,845,900	1,315,451	416,015	76,856	37,577	0	1037
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1037
NET DEFERRED FIT	NTDFIT	190,167	50,686	38,277	8,416	2,647	1,346	0	1037
NETWORK SUPPORT EXP	NETSPX	17,801	4,735	3,609	739	256	131	0	1037
GENERAL SUPPORT EXP	GSFX	102,081	27,154	20,697	4,237	1,469	751	0	1037
COE EXPENSE	COEX	130,540	39,850	8,138	27,432	2,687	1,594	0	1037
IOT EXPENSE	IOTX	1	0	0	0	0	0	0	1037
C&WF EXPENSE	CWFX	262,360	65,296	63,752	0	1,248	296	0	1037
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1037
NETWORK OPERATIONS EXP	NETOPX	144,836	38,528	29,365	6,012	2,084	1,066	0	1037
DEPREC & AMORT EXP	DEPAMX	1,006,545	270,220	199,349	40,932	19,444	10,495	0	1037
MARKETING EXPENSE	MRKTX	34	12	9	2	1	0	0	1037
SERVICES EXPENSE	SERVX	534,516	177,193	69,979	30,875	10,638	3,681	62,021	1037
- CABSX EXPENSE	CABSX	63,284	31,642	0	20,763	7,199	3,681	0	1037
EXEC & PLANNING EXP	EXEPLX	315,045	94,276	53,317	18,053	4,789	1,959	16,158	1037
GENERAL & ADMIN EXP	GENADX	465,874	161,612	91,398	30,948	8,209	3,358	27,698	1037
OTHER TAXES (EXCL FIT & ITC)	OTAXES	261,161	69,202	54,054	8,966	4,074	2,108	0	1037
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1037
NON-OPERATING INC & EXP	NONOPX	6,780	2,222	1,693	347	120	61	0	1037
INTEREST & RELATED ITEMS(IRI)	INTREL	309,213	81,180	61,874	12,668	4,392	2,246	0	1037

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	99,615	25,084	14,319	5,842	1,425	3,498	0	1038
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1038
- GENERAL SUPPORT FACILITIES	GSF	1,425,387	425,491	242,894	99,090	24,170	59,336	0	1038
- CENTRAL OFFICE EQUIPMENT	COE	4,933,941	1,777,066	383,492	795,917	175,082	422,575	0	1038
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1038
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1038
-- COE CAT 3	COE3	2,029,785	795,917	0	795,917	0	0	0	1038
-- COE CAT 4.11	COE411	322,582	322,582	0	0	0	322,582	0	1038
-- COE CAT 4.12	COE412	114,335	0	0	0	0	0	0	1038
-- COE CAT 4.13	COE413	1,571,873	390,044	383,492	0	0	6,551	0	1038
-- COE CAT 4.2	COE42	346,409	198,537	0	0	105,095	93,441	0	1038
-- COE CAT 4.3	COE43	548,957	69,987	0	0	69,987	0	0	1038
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1038
- CABLE & WIRE FACILITIES	CWF	6,515,139	1,640,584	1,567,496	0	19,061	54,028	0	1038
-- C&WF CAT 1.1	CWF11	128,154	0	0	0	0	0	0	1038
-- C&WF CAT 1.2	CWF12	26,778	26,778	0	0	0	26,778	0	1038
-- C&WF CAT 1.3	CWF13	6,269,984	1,567,496	1,567,496	0	0	0	0	1038
-- C&WF CAT 2	CWF2	40,009	32,445	0	0	5,424	27,021	0	1038
-- C&WF CAT 3	CWF3	23,893	10,509	0	0	10,281	228	0	1038
-- C&WF CAT 4	CWF4	26,321	3,356	0	0	3,356	0	0	1038
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1038
- INTANGIBLES	INTANG	2,108	629	359	147	36	88	0	1038
TELCOM PLANT-OTHER	PLTOTH	11,422	3,410	1,946	794	194	475	0	1038
ACCUM DEPRECIATION	ACCDEP	6,346,157	1,949,309	1,003,074	496,992	130,500	318,743	0	1038
ACCUM AMORTIZATION	ACCAMO	2,058	614	351	143	35	86	0	1038
NET DEFERRED FIT	NTDFIT	772,517	230,576	131,688	53,621	13,102	32,165	0	1038
NETWORK SUPPORT EXP	NETSPX	61,147	18,253	10,420	4,251	1,037	2,545	0	1038
GENERAL SUPPORT EXP	GSFX	117,762	35,153	20,067	8,187	1,997	4,902	0	1038
COE EXPENSE	COEX	162,416	58,498	4,652	46,596	2,124	5,126	0	1038
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1038
C&WF EXPENSE	CWFX	247,136	62,232	59,459	0	723	2,049	0	1038
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1038
NETWORK OPERATIONS EXP	NETOPX	233,788	69,788	39,839	16,252	3,964	9,732	0	1038
DEPREC & AMORT EXP	DEPAMX	1,203,324	379,115	171,593	135,082	21,028	51,412	0	1038
MARKETING EXPENSE	MRKTX	12,379	2,137	1,220	498	121	298	0	1038
SERVICES EXPENSE	SERVX	357,112	102,998	13,633	24,735	6,033	13,829	44,767	1038
- CABSX EXPENSE	CABSX	84,892	42,446	0	23,034	5,619	13,793	0	1038
EXEC & PLANNING EXP	EXEPLX	220,504	64,367	31,173	16,702	2,659	6,394	7,439	1038
GENERAL & ADMIN EXP	GENADX	486,417	163,287	79,080	42,371	6,744	16,221	18,871	1038
OTHER TAXES (EXCL FIT & ITC)	OTAXES	93,131	19,469	11,819	4,258	979	2,413	0	1038
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1038
NON-OPERATING INC & EXP	NONOPX	12,560	4,045	2,309	942	230	564	0	1038
INTEREST & RELATED ITEMS(IRI)	INTREL	189,038	54,511	34,606	11,328	2,467	6,109	0	1038

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	1,396	348	208	127	12	1	0	1039
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1039
- GENERAL SUPPORT FACILITIES	GSF	193,032	52,554	31,459	19,172	1,779	145	0	1039
- CENTRAL OFFICE EQUIPMENT	COE	944,950	262,901	48,554	198,704	15,205	438	0	1039
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1039
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1039
-- COE CAT 3	COE3	657,697	174,747	0	174,747	0	0	0	1039
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1039
-- COE CAT 4.12	COE412	14,797	0	0	0	0	0	0	1039
-- COE CAT 4.13	COE413	194,391	48,729	48,554	0	0	176	0	1039
-- COE CAT 4.2	COE42	48,486	15,468	0	0	15,205	263	0	1039
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1039
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1039
- CABLE & WIRE FACILITIES	CWF	1,296,932	323,507	316,808	0	5,458	1,241	0	1039
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1039
-- C&WF CAT 1.2	CWF12	1,146	1,146	0	0	0	1,146	0	1039
-- C&WF CAT 1.3	CWF13	1,267,231	316,808	316,808	0	0	0	0	1039
-- C&WF CAT 2	CWF2	7,139	0	0	0	0	0	0	1039
-- C&WF CAT 3	CWF3	21,416	5,554	0	0	5,458	96	0	1039
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1039
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1039
- INTANGIBLES	INTANG	58,829	16,017	9,587	5,843	542	44	0	1039
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1039
ACCUM DEPRECIATION	ACCDEP	1,978,991	529,731	355,696	157,085	15,396	1,554	0	1039
ACCUM AMORTIZATION	ACCAMO	58,829	16,017	9,587	5,843	542	44	0	1039
NET DEFERRED FIT	NTDFIT	102,614	27,937	16,723	10,192	946	77	0	1039
NETWORK SUPPORT EXP	NETSPX	3,424	932	558	340	32	3	0	1039
GENERAL SUPPORT EXP	GSFX	10,624	2,892	1,731	1,055	98	8	0	1039
COE EXPENSE	COEX	269,999	81,964	667	81,081	209	6	0	1039
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1039
C&WF EXPENSE	CWFX	81,669	20,372	19,950	0	344	78	0	1039
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1039
NETWORK OPERATIONS EXP	NETOPX	188,851	51,416	30,777	18,756	1,741	141	0	1039
DEPREC & AMORT EXP	DEPAMX	88,155	27,321	3,808	23,180	313	19	0	1039
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1039
SERVICES EXPENSE	SERVX	159,409	36,932	10,905	15,691	1,456	91	8,789	1039
- CABSX EXPENSE	CABSX	26,607	13,304	0	12,091	1,122	91	0	1039
EXEC & PLANNING EXP	EXEPLX	750,784	204,849	68,023	123,141	4,085	345	9,256	1039
GENERAL & ADMIN EXP	GENADX	185,483	110,994	36,857	66,721	2,213	187	5,015	1039
OTHER TAXES (EXCL FIT & ITC)	OTAXES	31,532	8,795	5,017	3,441	314	24	0	1039
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1039
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1039
INTEREST & RELATED ITEMS(IRI)	INTREL	636	189	113	69	6	1	0	1039

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	6,771	1,689	980	643	36	31	0	1040
RTB STOCK	RTBSTK	1,000	273	158	104	6	5	0	1040
- GENERAL SUPPORT FACILITIES	GSF	550,297	150,337	87,176	57,229	3,187	2,746	0	1040
- CENTRAL OFFICE EQUIPMENT	COE	1,460,591	438,108	85,701	323,269	15,230	13,909	0	1040
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1040
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1040
-- COE CAT 3	COE3	1,024,162	323,269	0	323,269	0	0	0	1040
-- COE CAT 4.11	COE411	13,909	13,909	0	0	0	13,909	0	1040
-- COE CAT 4.12	COE412	10,959	0	0	0	0	0	0	1040
-- COE CAT 4.13	COE413	343,677	85,701	85,701	0	0	0	0	1040
-- COE CAT 4.2	COE42	52,587	9,917	0	0	9,917	0	0	1040
-- COE CAT 4.3	COE43	15,297	5,312	0	0	5,312	0	0	1040
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1040
- CABLE & WIRE FACILITIES	CWF	1,647,887	411,106	406,730	0	2,773	1,602	0	1040
-- C&WF CAT 1.1	CWF11	4,150	0	0	0	0	0	0	1040
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1040
-- C&WF CAT 1.3	CWF13	1,626,921	406,730	406,730	0	0	0	0	1040
-- C&WF CAT 2	CWF2	4,805	1,602	0	0	0	1,602	0	1040
-- C&WF CAT 3	CWF3	8,808	1,661	0	0	1,661	0	0	1040
-- C&WF CAT 4	CWF4	3,203	1,112	0	0	1,112	0	0	1040
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1040
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1040
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1040
ACCUM DEPRECIATION	ACCDEP	1,968,479	541,322	298,612	220,374	11,962	10,374	0	1040
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1040
NET DEFERRED FIT	NTDFIT	259,480	70,891	41,094	27,006	1,499	1,291	0	1040
NETWORK SUPPORT EXP	NETSPX	17,117	4,676	2,712	1,780	99	85	0	1040
GENERAL SUPPORT EXP	GSFX	52,612	14,373	8,335	5,471	305	263	0	1040
COE EXPENSE	COEX	177,255	53,168	9,636	40,256	1,712	1,564	0	1040
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1040
C&WF EXPENSE	CWFX	110,938	27,676	27,382	0	187	108	0	1040
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1040
NETWORK OPERATIONS EXP	NETOPX	42,228	11,536	6,690	4,392	245	211	0	1040
DEPREC & AMORT EXP	DEPAMX	286,406	78,955	42,717	33,465	1,492	1,281	0	1040
MARKETING EXPENSE	MRKTX	515	115	67	44	2	2	0	1040
SERVICES EXPENSE	SERVX	98,223	40,722	12,386	14,275	796	500	12,766	1040
- CABSX EXPENSE	CABSX	22,957	11,479	0	10,401	579	499	0	1040
EXEC & PLANNING EXP	EXEPLX	163,502	50,754	22,401	22,072	1,115	911	4,255	1040
GENERAL & ADMIN EXP	GENADX	333,374	144,875	63,943	63,003	3,183	2,600	12,146	1040
OTHER TAXES (EXCL FIT & ITC)	OTAXES	52,183	13,309	7,848	4,944	278	239	0	1040
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1040
NON-OPERATING INC & EXP	NONOPX	275	108	63	41	2	2	0	1040
INTEREST & RELATED ITEMS(IRI)	INTREL	31,293	8,468	4,910	3,224	180	155	0	1040

APPENDIX B1

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COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	139,009	36,710	23,680	4,156	2,933	5,838	102	1041
RTB STOCK	RTBSTK	61,750	18,205	11,744	2,061	1,455	2,895	51	1041
- GENERAL SUPPORT FACILITIES	GSF	3,293,940	971,128	610,358	107,123	75,604	150,485	27,558	1041
- CENTRAL OFFICE EQUIPMENT	COE	10,126,277	3,604,992	1,073,566	1,013,593	444,640	1,073,194	0	1041
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1041
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1041
-- COE CAT 3	COE3	3,436,071	1,013,593	0	1,013,593	0	0	0	1041
-- COE CAT 4.11	COE411	940,519	940,519	0	0	0	940,519	0	1041
-- COE CAT 4.12	COE412	345,362	0	0	0	0	0	0	1041
-- COE CAT 4.13	COE413	4,320,053	1,078,887	1,073,566	0	0	5,322	0	1041
-- COE CAT 4.2	COE42	844,784	541,456	0	0	414,103	127,353	0	1041
-- COE CAT 4.3	COE43	239,488	30,537	0	0	30,537	0	0	1041
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1041
- CABLE & WIRE FACILITIES	CWF	20,156,291	5,322,997	4,701,595	0	270,716	350,686	0	1041
-- C&WF CAT 1.1	CWF11	89,640	0	0	0	0	0	0	1041
-- C&WF CAT 1.2	CWF12	23,306	23,306	0	0	0	23,306	0	1041
-- C&WF CAT 1.3	CWF13	18,806,378	4,701,595	4,701,595	0	0	0	0	1041
-- C&WF CAT 2	CWF2	217,312	0	0	0	0	0	0	1041
-- C&WF CAT 3	CWF3	775,334	566,943	0	0	239,563	327,380	0	1041
-- C&WF CAT 4	CWF4	244,321	31,153	0	0	31,153	0	0	1041
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1041
- INTANGIBLES	INTANG	8,276	2,440	1,574	276	195	388	7	1041
TELCOM PLANT-OTHER	PLTOTH	586,392	172,400	111,519	19,573	13,814	27,495	0	1041
ACCUM DEPRECIATION	ACCDEP	16,961,403	4,979,250	3,070,930	794,584	369,567	729,069	15,101	1041
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1041
NET DEFERRED FIT	NTDFIT	3,227,518	949,015	613,880	107,741	76,040	151,354	0	1041
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1041
GENERAL SUPPORT EXP	GSFX	180,009	53,071	33,355	5,854	4,132	8,224	1,506	1041
COE EXPENSE	COEX	440,687	156,886	12,316	127,156	5,101	12,312	0	1041
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1041
C&WF EXPENSE	CWFX	876,692	231,522	204,494	0	11,775	15,253	0	1041
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1041
NETWORK OPERATIONS EXP	NETOPX	189,610	55,901	36,160	6,346	4,479	8,915	0	1041
DEPREC & AMORT EXP	DEPAMX	2,010,285	625,304	337,374	102,868	58,203	125,758	1,102	1041
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1041
SERVICES EXPENSE	SERVX	426,456	132,371	3,963	7,116	0	0	121,293	1041
- CABSX EXPENSE	CABSX	0	0	0	0	0	0	0	1041
EXEC & PLANNING EXP	EXEPLX	417,781	124,610	63,454	26,388	4,592	8,054	22,123	1041
GENERAL & ADMIN EXP	GENADX	646,446	231,285	117,775	48,977	8,522	14,948	41,062	1041
OTHER TAXES (EXCL FIT & ITC)	OTAXES	343,275	99,222	65,399	9,185	8,198	16,376	64	1041
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1041
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1041
INTEREST & RELATED ITEMS(IRI)	INTREL	521,033	154,408	99,602	17,481	12,338	24,557	430	1041

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	335,547	85,023	68,747	8,729	329	7,122	96	1042
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1042
- GENERAL SUPPORT FACILITIES	GSF	9,723,266	2,501,335	2,010,070	255,239	9,624	208,226	18,176	1042
- CENTRAL OFFICE EQUIPMENT	COE	20,032,008	5,205,530	3,033,445	1,330,054	36,787	805,245	0	1042
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1042
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1042
-- COE CAT 3	COE3	6,378,970	1,254,124	0	1,254,124	0	0	0	1042
-- COE CAT 4.11	COE411	633,987	557,389	0	0	0	557,389	0	1042
-- COE CAT 4.12	COE412	66,525	0	0	0	0	0	0	1042
-- COE CAT 4.13	COE413	12,247,518	3,071,742	3,033,445	0	0	38,297	0	1042
-- COE CAT 4.2	COE42	608,408	246,346	0	0	36,787	209,559	0	1042
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1042
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1042
- CABLE & WIRE FACILITIES	CWF	33,139,315	8,396,998	8,039,008	0	16,226	341,765	0	1042
-- C&WF CAT 1.1	CWF11	199,930	0	0	0	0	0	0	1042
-- C&WF CAT 1.2	CWF12	101,491	101,491	0	0	0	101,491	0	1042
-- C&WF CAT 1.3	CWF13	32,156,030	8,039,008	8,039,008	0	0	0	0	1042
-- C&WF CAT 2	CWF2	359,988	126,681	0	0	0	126,681	0	1042
-- C&WF CAT 3	CWF3	321,875	129,818	0	0	16,226	113,592	0	1042
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1042
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1042
- INTANGIBLES	INTANG	591,170	152,080	122,968	15,614	589	12,738	171	1042
TELCOM PLANT-OTHER	PLTOTH	3,183,422	818,023	662,174	84,083	3,170	68,595	0	1042
ACCUM DEPRECIATION	ACCDEP	44,715,818	11,494,303	9,086,711	1,361,793	45,577	986,994	13,228	1042
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1042
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1042
NETWORK SUPPORT EXP	NETSPX	22,202	5,712	4,618	586	22	478	6	1042
GENERAL SUPPORT EXP	GSFX	965,435	248,361	199,582	25,343	956	20,675	1,805	1042
COE EXPENSE	COEX	950,259	250,537	59,036	175,113	716	15,671	0	1042
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1042
C&WF EXPENSE	CWFX	1,705,819	432,229	413,801	0	835	17,592	0	1042
OTHER PROP & PL EXP	OTHPPX	29,262	7,528	6,094	774	29	631	0	1042
NETWORK OPERATIONS EXP	NETOPX	753,434	193,823	156,896	19,923	751	16,253	0	1042
DEPREC & AMORT EXP	DEPAMX	5,240,609	1,347,152	1,021,072	195,868	5,678	123,177	1,358	1042
MARKETING EXPENSE	MRKTX	123,637	27,092	21,906	2,782	105	2,269	30	1042
SERVICES EXPENSE	SERVX	1,749,900	330,901	176,063	35,293	857	32,238	86,451	1042
- CABSX EXPENSE	CABSX	52,786	26,393	0	14,239	537	11,617	0	1042
EXEC & PLANNING EXP	EXEPLX	487,100	113,829	81,756	18,187	299	7,407	6,180	1042
GENERAL & ADMIN EXP	GENADX	2,008,857	545,704	391,944	87,189	1,433	35,508	29,630	1042
OTHER TAXES (EXCL FIT & ITC)	OTAXES	323,086	85,352	69,091	8,773	331	7,157	0	1042
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1042
NON-OPERATING INC & EXP	NONOPX	7,317	1,933	1,563	199	7	162	2	1042
INTEREST & RELATED ITEMS(IRI)	INTREL	439,768	113,282	91,597	11,631	439	9,489	127	1042

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	263,775	65,771	44,105	10,431	4,931	6,103	201	1043
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1043
- GENERAL SUPPORT FACILITIES	GSF	8,842,449	2,318,021	1,522,645	360,096	170,241	210,686	54,355	1043
- CENTRAL OFFICE EQUIPMENT	COE	21,480,618	6,110,184	1,600,225	2,456,538	782,377	1,271,044	0	1043
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1043
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1043
-- COE CAT 3	COE3	10,749,631	2,456,538	0	2,456,538	0	0	0	1043
-- COE CAT 4.11	COE411	1,561,662	1,227,317	0	0	0	1,227,317	0	1043
-- COE CAT 4.12	COE412	53,165	0	0	0	0	0	0	1043
-- COE CAT 4.13	COE413	6,477,953	1,617,919	1,600,225	0	0	17,694	0	1043
-- COE CAT 4.2	COE42	1,540,182	606,090	0	0	580,056	26,034	0	1043
-- COE CAT 4.3	COE43	1,098,025	202,321	0	0	202,321	0	0	1043
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1043
- CABLE & WIRE FACILITIES	CWF	37,427,236	9,332,333	8,787,110	0	378,989	166,234	0	1043
-- C&WF CAT 1.1	CWF11	325,956	0	0	0	0	0	0	1043
-- C&WF CAT 1.2	CWF12	97,160	97,160	0	0	0	97,160	0	1043
-- C&WF CAT 1.3	CWF13	35,148,440	8,787,110	8,787,110	0	0	0	0	1043
-- C&WF CAT 2	CWF2	286,761	62,361	0	0	0	62,361	0	1043
-- C&WF CAT 3	CWF3	340,000	159,263	0	0	152,550	6,713	0	1043
-- C&WF CAT 4	CWF4	1,228,919	226,439	0	0	226,439	0	0	1043
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1043
- INTANGIBLES	INTANG	236	62	41	10	5	6	0	1043
TELCOM PLANT-OTHER	PLTOTH	4,384,132	1,145,770	770,696	182,265	86,168	106,640	0	1043
ACCUM DEPRECIATION	ACCDEP	35,578,898	9,299,880	6,035,278	1,697,986	684,626	852,217	29,773	1043
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1043
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1043
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1043
GENERAL SUPPORT EXP	GSFX	303,485	79,558	52,259	12,359	5,843	7,231	1,866	1043
COE EXPENSE	COEX	940,674	267,576	2,866	261,032	1,401	2,276	0	1043
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1043
C&WF EXPENSE	CWFX	1,757,713	438,279	412,673	0	17,799	7,807	0	1043
OTHER PROP & PL EXP	OTHPX	2,090	548	369	87	41	51	0	1043
NETWORK OPERATIONS EXP	NETOPX	1,643,449	430,825	289,793	68,534	32,401	40,098	0	1043
DEPREC & AMORT EXP	DEPAMX	4,622,816	1,229,649	764,802	220,500	103,672	137,416	3,259	1043
MARKETING EXPENSE	MRKTX	275,413	66,547	44,625	10,554	4,989	6,175	204	1043
SERVICES EXPENSE	SERVX	1,417,049	331,597	81,037	12,502	3,398	996	233,664	1043
- CABSX EXPENSE	CABSX	6,952	3,476	0	1,689	799	988	0	1043
EXEC & PLANNING EXP	EXEPLX	667,141	169,687	98,463	35,555	6,415	6,295	22,959	1043
GENERAL & ADMIN EXP	GENADX	1,671,439	482,003	279,687	100,996	18,223	17,881	65,215	1043
OTHER TAXES (EXCL FIT & ITC)	OTAXES	441,486	115,380	77,610	18,354	8,677	10,739	0	1043
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1043
NON-OPERATING INC & EXP	NONOPX	6,047	1,685	1,130	267	126	156	5	1043
INTEREST & RELATED ITEMS(IRI)	INTREL	35,037	9,207	6,174	1,460	690	854	28	1043

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	300,772	74,495	49,483	8,661	1,869	14,483	0	1044
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1044
- GENERAL SUPPORT FACILITIES	GSF	889,675	271,187	180,135	31,528	6,802	52,721	0	1044
- CENTRAL OFFICE EQUIPMENT	COE	5,020,439	2,023,481	659,844	483,792	93,565	786,279	0	1044
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1044
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1044
-- COE CAT 3	COE3	1,174,384	483,792	0	483,792	0	0	0	1044
-- COE CAT 4.11	COE411	128,395	128,395	0	0	0	128,395	0	1044
-- COE CAT 4.12	COE412	83,712	17,809	0	0	0	17,809	0	1044
-- COE CAT 4.13	COE413	2,676,627	661,296	659,844	0	0	1,451	0	1044
-- COE CAT 4.2	COE42	866,105	721,313	0	0	82,689	638,624	0	1044
-- COE CAT 4.3	COE43	91,216	10,876	0	0	10,876	0	0	1044
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1044
- CABLE & WIRE FACILITIES	CWF	8,631,685	2,137,899	2,104,346	0	10,817	22,736	0	1044
-- C&WF CAT 1.1	CWF11	114,165	0	0	0	0	0	0	1044
-- C&WF CAT 1.2	CWF12	4,628	4,628	0	0	0	4,628	0	1044
-- C&WF CAT 1.3	CWF13	8,417,383	2,104,346	2,104,346	0	0	0	0	1044
-- C&WF CAT 2	CWF2	29,372	7,159	0	0	0	7,159	0	1044
-- C&WF CAT 3	CWF3	28,294	17,253	0	0	6,305	10,948	0	1044
-- C&WF CAT 4	CWF4	37,842	4,512	0	0	4,512	0	0	1044
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1044
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1044
TELCOM PLANT-OTHER	PLTOTH	894,938	272,791	181,201	31,714	6,843	53,033	0	1044
ACCUM DEPRECIATION	ACCDEP	6,046,203	1,855,411	1,215,202	221,972	47,620	370,617	0	1044
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1044
NET DEFERRED FIT	NTDFIT	971,197	365,520	146,391	77,513	15,200	126,417	0	1044
NETWORK SUPPORT EXP	NETSPX	12,311	3,753	2,493	436	94	730	0	1044
GENERAL SUPPORT EXP	GSFX	59,184	18,040	11,983	2,097	453	3,507	0	1044
COE EXPENSE	COEX	436,314	175,856	34,855	94,524	4,942	41,534	0	1044
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1044
C&WF EXPENSE	CWFX	323,629	80,157	78,899	0	406	852	0	1044
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1044
NETWORK OPERATIONS EXP	NETOPX	188,822	57,556	38,231	6,691	1,444	11,189	0	1044
DEPREC & AMORT EXP	DEPAMX	1,249,549	406,936	234,158	60,440	12,469	99,869	0	1044
MARKETING EXPENSE	MRKTX	13,490	4,185	2,780	487	105	814	0	1044
SERVICES EXPENSE	SERVX	1,012,340	329,615	101,760	60,652	12,479	85,615	69,108	1044
- CABSX EXPENSE	CABSX	294,956	147,478	0	51,066	11,018	85,394	0	1044
EXEC & PLANNING EXP	EXEPLX	298,176	97,756	43,063	22,650	2,737	19,814	9,493	1044
GENERAL & ADMIN EXP	GENADX	512,581	189,457	83,458	43,897	5,304	38,400	18,398	1044
OTHER TAXES (EXCL FIT & ITC)	OTAXES	180,918	57,217	39,025	6,282	1,371	10,538	0	1044
INVESTMENT TAX CREDITS (ITC)	ITC	4,355	1,327	882	154	33	258	0	1044
NON-OPERATING INC & EXP	NONOPX	525	186	124	22	5	36	0	1044
INTEREST & RELATED ITEMS(IRI)	INTREL	103,670	30,422	20,208	3,537	763	5,914	0	1044

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	112,512	29,140	17,376	8,041	1,771	1,953	0	1045
RTB STOCK	RTBSTK	182,695	55,185	32,906	15,228	3,353	3,698	0	1045
- GENERAL SUPPORT FACILITIES	GSF	3,128,712	945,063	563,533	260,777	57,426	63,326	0	1045
- CENTRAL OFFICE EQUIPMENT	COE	5,628,201	2,187,548	316,650	1,452,322	262,697	155,879	0	1045
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1045
-- COE CAT 2	COE2	114,308	41,314	0	0	41,314	0	0	1045
-- COE CAT 3	COE3	3,462,873	1,409,842	0	1,409,842	0	0	0	1045
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1045
-- COE CAT 4.12	COE412	59,769	0	0	0	0	0	0	1045
-- COE CAT 4.13	COE413	1,285,610	322,353	316,650	0	0	5,703	0	1045
-- COE CAT 4.2	COE42	663,161	371,559	0	0	221,383	150,176	0	1045
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1045
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1045
- CABLE & WIRE FACILITIES	CWF	12,305,889	3,187,165	2,913,576	0	66,476	207,113	0	1045
-- C&WF CAT 1.1	CWF11	122,443	0	0	0	0	0	0	1045
-- C&WF CAT 1.2	CWF12	52,475	52,475	0	0	0	52,475	0	1045
-- C&WF CAT 1.3	CWF13	11,654,303	2,913,576	2,913,576	0	0	0	0	1045
-- C&WF CAT 2	CWF2	344,484	149,697	0	0	0	149,697	0	1045
-- C&WF CAT 3	CWF3	132,184	71,416	0	0	66,476	4,941	0	1045
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1045
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1045
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1045
TELCOM PLANT-OTHER	PLTOTH	445,540	134,580	80,249	37,136	8,178	9,018	0	1045
ACCUM DEPRECIATION	ACCDEP	13,856,355	4,316,098	2,322,408	1,415,124	290,142	288,423	0	1045
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1045
NET DEFERRED FIT	NTDFIT	167,154	50,494	30,099	13,958	3,060	3,378	0	1045
NETWORK SUPPORT EXP	NETSPX	1,721	520	310	143	32	35	0	1045
GENERAL SUPPORT EXP	GSFX	187,124	56,523	33,704	15,597	3,435	3,787	0	1045
COE EXPENSE	COEX	375,346	148,721	1,004	102,641	44,583	494	0	1045
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1045
C&WF EXPENSE	CWFX	207,686	53,790	49,172	0	1,122	3,495	0	1045
OTHER PROP & PL EXP	OTHPX	2,516	760	453	210	46	51	0	1045
NETWORK OPERATIONS EXP	NETOPX	162,360	49,043	29,244	13,533	2,980	3,286	0	1045
DEPREC & AMORT EXP	DEPAMX	1,098,496	342,717	184,948	105,743	26,700	25,327	0	1045
MARKETING EXPENSE	MRKTX	74,841	17,028	10,154	4,699	1,035	1,141	0	1045
SERVICES EXPENSE	SERVX	380,727	116,754	26,310	21,014	4,627	3,639	61,164	1045
- CABSX EXPENSE	CABSX	43,526	21,763	0	14,875	3,276	3,612	0	1045
EXEC & PLANNING EXP	EXEPLX	296,277	95,062	39,117	30,159	11,055	3,044	11,687	1045
GENERAL & ADMIN EXP	GENADX	636,188	230,677	94,922	73,183	26,827	7,385	28,360	1045
OTHER TAXES (EXCL FIT & ITC)	OTAXES	235,116	71,807	42,818	19,814	4,363	4,812	0	1045
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1045
NON-OPERATING INC & EXP	NONOPX	2,078	726	433	200	44	49	0	1045
INTEREST & RELATED ITEMS(IRI)	INTREL	180	51	31	14	3	3	0	1045

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	17,707	4,939	2,269	1,849	97	724	0	1046
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1046
- GENERAL SUPPORT FACILITIES	GSF	1,079,938	370,995	170,456	138,871	7,260	54,408	0	1046
- CENTRAL OFFICE EQUIPMENT	COE	2,654,005	1,052,139	258,231	620,778	29,130	144,000	0	1046
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1046
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1046
-- COE CAT 3	COE3	1,345,661	620,778	0	620,778	0	0	0	1046
-- COE CAT 4.11	COE411	99,616	99,616	0	0	0	99,616	0	1046
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1046
-- COE CAT 4.13	COE413	1,072,156	282,138	258,231	0	0	23,907	0	1046
-- COE CAT 4.2	COE42	128,480	48,489	0	0	28,012	20,477	0	1046
-- COE CAT 4.3	COE43	8,092	1,118	0	0	1,118	0	0	1046
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1046
- CABLE & WIRE FACILITIES	CWF	2,173,505	606,272	503,735	0	3,324	99,213	0	1046
-- C&WF CAT 1.1	CWF11	29,895	0	0	0	0	0	0	1046
-- C&WF CAT 1.2	CWF12	46,637	46,637	0	0	0	46,637	0	1046
-- C&WF CAT 1.3	CWF13	2,014,940	503,735	503,735	0	0	0	0	1046
-- C&WF CAT 2	CWF2	63,608	51,531	0	0	0	51,531	0	1046
-- C&WF CAT 3	CWF3	8,418	2,987	0	0	1,941	1,046	0	1046
-- C&WF CAT 4	CWF4	10,007	1,383	0	0	1,383	0	0	1046
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1046
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1046
TELCOM PLANT-OTHER	PLTOTH	6,784	2,331	1,071	872	46	342	0	1046
ACCUM DEPRECIATION	ACCDEP	2,681,554	928,810	410,932	375,381	16,099	126,398	0	1046
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1046
NET DEFERRED FIT	NTDFIT	443,390	152,317	69,987	57,008	2,981	22,341	0	1046
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1046
GENERAL SUPPORT EXP	GSFX	49,783	17,102	7,858	6,402	335	2,508	0	1046
COE EXPENSE	COEX	143,610	56,932	11,735	31,447	7,206	6,544	0	1046
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1046
C&WF EXPENSE	CWFX	80,044	22,327	18,551	0	122	3,654	0	1046
OTHER PROP & PL EXP	OTHPX	224	77	35	29	2	11	0	1046
NETWORK OPERATIONS EXP	NETOPX	162,729	55,903	25,685	20,926	1,094	8,198	0	1046
DEPREC & AMORT EXP	DEPAMX	443,784	158,049	63,725	67,858	3,490	22,976	0	1046
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1046
SERVICES EXPENSE	SERVX	137,176	50,812	9,701	14,115	720	3,109	23,167	1046
- CABSX EXPENSE	CABSX	22,872	11,436	0	7,919	414	3,103	0	1046
EXEC & PLANNING EXP	EXEPLX	194,233	68,994	27,662	23,257	3,023	7,663	7,389	1046
GENERAL & ADMIN EXP	GENADX	216,113	96,848	38,830	32,647	4,244	10,756	10,372	1046
OTHER TAXES (EXCL FIT & ITC)	OTAXES	58,062	20,132	9,250	7,536	394	2,952	0	1046
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1046
NON-OPERATING INC & EXP	NONOPX	2,249	909	418	340	18	133	0	1046
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1046

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	10,875	2,841	1,417	1,194	76	155	0	1047
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1047
- GENERAL SUPPORT FACILITIES	GSF	803,802	269,312	134,313	113,168	7,156	14,674	0	1047
- CENTRAL OFFICE EQUIPMENT	COE	2,456,885	995,122	236,275	693,233	11,962	53,653	0	1047
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1047
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1047
-- COE CAT 3	COE3	1,368,562	672,174	0	672,174	0	0	0	1047
-- COE CAT 4.11	COE411	45,092	45,092	0	0	0	45,092	0	1047
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1047
-- COE CAT 4.13	COE413	945,559	236,275	236,275	0	0	0	0	1047
-- COE CAT 4.2	COE42	55,620	20,523	0	0	11,962	8,561	0	1047
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1047
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1047
- CABLE & WIRE FACILITIES	CWF	2,616,535	683,658	611,482	0	33,207	38,969	0	1047
-- C&WF CAT 1.1	CWF11	1,190	0	0	0	0	0	0	1047
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1047
-- C&WF CAT 1.3	CWF13	2,445,929	611,482	611,482	0	0	0	0	1047
-- C&WF CAT 2	CWF2	38,969	38,969	0	0	0	38,969	0	1047
-- C&WF CAT 3	CWF3	130,447	33,207	0	0	33,207	0	0	1047
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1047
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1047
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1047
TELCOM PLANT-OTHER	PLTOTH	95,003	31,831	15,875	13,376	846	1,734	0	1047
ACCUM DEPRECIATION	ACCDEP	3,170,619	1,090,383	501,877	507,992	26,764	53,749	0	1047
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1047
NET DEFERRED FIT	NTDFIT	324,591	108,778	54,218	45,741	2,889	5,931	0	1047
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1047
GENERAL SUPPORT EXP	GSFX	40,582	13,597	6,781	5,714	361	741	0	1047
COE EXPENSE	COEX	124,055	51,310	16,465	25,127	5,978	3,739	0	1047
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1047
C&WF EXPENSE	CWFX	157,675	41,198	36,849	0	2,001	2,348	0	1047
OTHER PROP & PL EXP	OTHPX	2,437	817	407	343	22	44	0	1047
NETWORK OPERATIONS EXP	NETOPX	110,164	36,910	18,408	15,510	981	2,011	0	1047
DEPREC & AMORT EXP	DEPAMX	155,924	49,708	28,389	16,973	1,519	2,827	0	1047
MARKETING EXPENSE	MRKTX	323	84	42	35	2	5	0	1047
SERVICES EXPENSE	SERVX	244,444	74,413	12,317	19,873	1,256	1,989	38,977	1047
- CABSX EXPENSE	CABSX	36,502	18,251	0	15,300	967	1,984	0	1047
EXEC & PLANNING EXP	EXEPLX	111,816	35,813	16,075	10,347	1,647	1,690	6,055	1047
GENERAL & ADMIN EXP	GENADX	258,305	105,937	47,549	30,606	4,872	4,998	17,911	1047
OTHER TAXES (EXCL FIT & ITC)	OTAXES	50,799	17,182	8,569	7,220	457	936	0	1047
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1047
NON-OPERATING INC & EXP	NONOPX	1,136	435	217	183	12	24	0	1047
INTEREST & RELATED ITEMS(IRI)	INTREL	7,539	2,438	1,216	1,025	65	133	0	1047

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	121,936	28,344	15,540	7,579	1,645	3,571	9	1048
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1048
- GENERAL SUPPORT FACILITIES	GSF	1,950,833	586,783	321,262	156,685	34,006	73,814	1,016	1048
- CENTRAL OFFICE EQUIPMENT	COE	3,156,732	1,339,684	236,603	713,351	91,649	298,080	0	1048
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1048
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1048
-- COE CAT 3	COE3	1,456,961	713,351	0	713,351	0	0	0	1048
-- COE CAT 4.11	COE411	307,047	288,616	0	0	0	288,616	0	1048
-- COE CAT 4.12	COE412	24,825	561	0	0	0	561	0	1048
-- COE CAT 4.13	COE413	968,217	238,680	236,603	0	0	2,077	0	1048
-- COE CAT 4.2	COE42	355,057	91,298	0	0	84,472	6,826	0	1048
-- COE CAT 4.3	COE43	44,625	7,177	0	0	7,177	0	0	1048
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1048
- CABLE & WIRE FACILITIES	CWF	5,709,600	1,327,183	1,226,033	0	63,173	37,977	0	1048
-- C&WF CAT 1.1	CWF11	102,232	0	0	0	0	0	0	1048
-- C&WF CAT 1.2	CWF12	10,761	10,761	0	0	0	10,761	0	1048
-- C&WF CAT 1.3	CWF13	4,904,133	1,226,033	1,226,033	0	0	0	0	1048
-- C&WF CAT 2	CWF2	402,994	27,186	0	0	0	27,186	0	1048
-- C&WF CAT 3	CWF3	222,179	52,378	0	0	52,349	29	0	1048
-- C&WF CAT 4	CWF4	67,301	10,824	0	0	10,824	0	0	1048
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1048
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1048
TELCOM PLANT-OTHER	PLTOTH	330,965	99,550	54,581	26,620	5,777	12,541	31	1048
ACCUM DEPRECIATION	ACCDEP	7,285,371	2,125,557	1,251,250	495,113	123,526	254,846	822	1048
ACCUM AMORTIZATION	ACCAMO	117,665	35,381	19,405	9,464	2,054	4,458	0	1048
NET DEFERRED FIT	NTDFIT	149,533	85,897	-9,012	87,050	1,382	6,477	0	1048
NETWORK SUPPORT EXP	NETSPX	69,193	20,812	11,411	5,565	1,208	2,622	6	1048
GENERAL SUPPORT EXP	GSFX	300,573	90,408	49,498	24,141	5,239	11,373	156	1048
COE EXPENSE	COEX	583,103	247,463	9,656	221,902	3,740	12,165	0	1048
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1048
C&WF EXPENSE	CWFX	234,115	54,419	50,272	0	2,590	1,557	0	1048
OTHER PROP & PL EXP	OTHPPX	8,066	2,426	1,331	649	141	306	0	1048
NETWORK OPERATIONS EXP	NETOPX	10,061	3,026	1,660	809	176	381	0	1048
DEPREC & AMORT EXP	DEPAMX	934,594	291,908	144,241	101,567	14,749	31,240	111	1048
MARKETING EXPENSE	MRKTX	117,004	29,812	16,345	7,972	1,730	3,755	9	1048
SERVICES EXPENSE	SERVX	279,790	90,017	10,047	37,579	7,931	18,969	15,492	1048
- CABSX EXPENSE	CABSX	114,950	57,475	0	34,047	7,389	16,039	0	1048
EXEC & PLANNING EXP	EXEPLX	541,358	187,844	61,727	97,023	7,394	16,612	5,089	1048
GENERAL & ADMIN EXP	GENADX	1,285,114	510,170	167,644	263,507	20,080	45,116	13,823	1048
OTHER TAXES (EXCL FIT & ITC)	OTAXES	159,716	48,435	26,564	12,956	2,812	6,103	0	1048
INVESTMENT TAX CREDITS (ITC)	ITC	4,926	1,481	812	396	86	187	0	1048
NON-OPERATING INC & EXP	NONOPX	860	329	180	88	19	41	0	1048
INTEREST & RELATED ITEMS(IRI)	INTREL	157,960	48,217	26,436	12,893	2,798	6,074	15	1048

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	356,173	91,821	45,233	39,266	3,825	3,496	0	1049
RTB STOCK	RTBSTK	355,023	122,352	60,274	52,322	5,097	4,659	0	1049
- GENERAL SUPPORT FACILITIES	GSF	4,283,634	1,476,273	727,250	631,307	61,505	56,210	0	1049
- CENTRAL OFFICE EQUIPMENT	COE	11,607,212	5,799,168	834,990	4,769,225	103,321	91,632	0	1049
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1049
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1049
-- COE CAT 3	COE3	7,654,152	4,761,597	0	4,761,597	0	0	0	1049
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1049
-- COE CAT 4.12	COE412	49,480	0	0	0	0	0	0	1049
-- COE CAT 4.13	COE413	3,394,205	841,594	834,990	0	0	6,604	0	1049
-- COE CAT 4.2	COE42	496,264	188,349	0	0	103,321	85,028	0	1049
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1049
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1049
- CABLE & WIRE FACILITIES	CWF	20,805,368	5,363,582	4,667,827	0	362,065	333,689	0	1049
-- C&WF CAT 1.1	CWF11	266,319	0	0	0	0	0	0	1049
-- C&WF CAT 1.2	CWF12	36,915	36,915	0	0	0	36,915	0	1049
-- C&WF CAT 1.3	CWF13	18,671,308	4,667,827	4,667,827	0	0	0	0	1049
-- C&WF CAT 2	CWF2	490,485	285,038	0	0	0	285,038	0	1049
-- C&WF CAT 3	CWF3	1,340,341	373,801	0	0	362,065	11,736	0	1049
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1049
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1049
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1049
TELCOM PLANT-OTHER	PLTOTH	852,127	293,669	144,669	125,584	12,235	11,182	0	1049
ACCUM DEPRECIATION	ACCDEP	15,142,713	5,362,441	2,480,822	2,475,955	212,056	193,608	0	1049
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1049
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1049
NETWORK SUPPORT EXP	NETSPX	6,768	2,332	1,149	997	97	89	0	1049
GENERAL SUPPORT EXP	GSFX	174,572	60,163	29,638	25,728	2,507	2,291	0	1049
COE EXPENSE	COEX	418,248	209,239	17,755	177,271	12,265	1,948	0	1049
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1049
C&WF EXPENSE	CWFX	445,431	114,831	99,935	0	7,752	7,144	0	1049
OTHER PROP & PL EXP	OTHPX	471	162	80	69	7	6	0	1049
NETWORK OPERATIONS EXP	NETOPX	456,568	157,347	77,513	67,287	6,555	5,991	0	1049
DEPREC & AMORT EXP	DEPAMX	2,157,595	821,291	317,073	449,656	28,587	25,975	0	1049
MARKETING EXPENSE	MRKTX	7,189	1,504	741	643	63	57	0	1049
SERVICES EXPENSE	SERVX	746,652	229,014	29,220	116,073	11,308	8,818	63,595	1049
- CABSX EXPENSE	CABSX	233,225	116,613	0	98,286	9,576	8,751	0	1049
EXEC & PLANNING EXP	EXEPLX	457,741	157,121	58,033	74,153	7,749	5,034	12,152	1049
GENERAL & ADMIN EXP	GENADX	1,177,342	434,129	160,346	204,887	21,411	13,909	33,576	1049
OTHER TAXES (EXCL FIT & ITC)	OTAXES	562,284	194,508	95,820	83,179	8,104	7,406	0	1049
INVESTMENT TAX CREDITS (ITC)	ITC	5,442	1,875	924	802	78	71	0	1049
NON-OPERATING INC & EXP	NONOPX	3,375	1,220	601	522	51	46	0	1049
INTEREST & RELATED ITEMS(IRI)	INTREL	575,252	193,902	95,521	82,919	8,078	7,383	0	1049

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	306,823	75,921	31,970	31,159	4,128	8,563	101	1050
RTB STOCK	RTBSTK	123,774	44,753	18,845	18,367	2,433	5,048	60	1050
- GENERAL SUPPORT FACILITIES	GSF	2,267,087	824,209	335,354	326,849	59,579	88,733	13,693	1050
- CENTRAL OFFICE EQUIPMENT	COE	12,438,311	6,057,897	750,767	3,890,317	399,469	1,017,344	0	1050
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1050
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1050
-- COE CAT 3	COE3	6,860,504	3,890,317	0	3,890,317	0	0	0	1050
-- COE CAT 4.11	COE411	680,879	680,879	0	0	0	680,879	0	1050
-- COE CAT 4.12	COE412	69,542	0	0	0	0	0	0	1050
-- COE CAT 4.13	COE413	3,019,680	755,266	750,767	0	0	4,499	0	1050
-- COE CAT 4.2	COE42	1,309,619	637,287	0	0	305,321	331,966	0	1050
-- COE CAT 4.3	COE43	498,087	94,148	0	0	94,148	0	0	1050
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1050
- CABLE & WIRE FACILITIES	CWF	13,713,948	3,393,424	3,240,794	0	99,689	52,940	0	1050
-- C&WF CAT 1.1	CWF11	52,283	0	0	0	0	0	0	1050
-- C&WF CAT 1.2	CWF12	19,419	19,419	0	0	0	19,419	0	1050
-- C&WF CAT 1.3	CWF13	12,963,178	3,240,794	3,240,794	0	0	0	0	1050
-- C&WF CAT 2	CWF2	293,913	0	0	0	0	0	0	1050
-- C&WF CAT 3	CWF3	198,463	97,922	0	0	64,401	33,521	0	1050
-- C&WF CAT 4	CWF4	186,692	35,288	0	0	35,288	0	0	1050
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1050
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1050
TELCOM PLANT-OTHER	PLTOTH	1,378,513	497,762	209,882	204,559	27,102	56,219	0	1050
ACCUM DEPRECIATION	ACCDEP	12,957,632	4,753,145	1,921,621	2,032,968	257,602	532,844	8,109	1050
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1050
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1050
NETWORK SUPPORT EXP	NETSPX	5,852	2,128	896	873	116	240	3	1050
GENERAL SUPPORT EXP	GSFX	707,756	257,308	104,693	102,038	18,600	27,701	4,275	1050
COE EXPENSE	COEX	487,330	237,347	0	237,347	0	0	0	1050
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1050
C&WF EXPENSE	CWFX	660,664	163,477	156,124	0	4,802	2,550	0	1050
OTHER PROP & PL EXP	OTHPX	2,822	1,020	431	420	54	116	0	1050
NETWORK OPERATIONS EXP	NETOPX	335,452	121,231	51,199	49,901	6,403	13,728	0	1050
DEPREC & AMORT EXP	DEPAMX	2,153,065	834,664	286,843	386,780	49,433	111,005	602	1050
MARKETING EXPENSE	MRKTX	74,824	22,512	9,479	9,239	1,224	2,539	30	1050
SERVICES EXPENSE	SERVX	660,753	214,303	38,705	45,363	7,134	5,783	117,318	1050
- CABSX EXPENSE	CABSX	58,735	29,368	0	20,926	2,685	5,757	0	1050
EXEC & PLANNING EXP	EXEPLX	517,918	177,120	68,670	73,396	6,320	8,681	20,052	1050
GENERAL & ADMIN EXP	GENADX	736,818	279,971	108,547	116,016	9,990	13,723	31,696	1050
OTHER TAXES (EXCL FIT & ITC)	OTAXES	210,368	75,961	32,029	31,217	4,136	8,579	0	1050
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1050
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1050
INTEREST & RELATED ITEMS(IRI)	INTREL	364,302	129,545	54,550	53,167	7,044	14,612	173	1050

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	254,905	68,528	32,295	26,954	5,143	3,906	229	1051
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1051
- GENERAL SUPPORT FACILITIES	GSF	7,205,241	2,505,946	1,166,111	973,242	185,707	141,038	39,848	1051
- CENTRAL OFFICE EQUIPMENT	COE	12,575,128	5,497,429	1,148,443	3,692,290	561,975	94,721	0	1051
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1051
-- COE CAT 2	COE2	362,133	185,575	0	0	185,575	0	0	1051
-- COE CAT 3	COE3	6,463,980	3,675,213	0	3,675,213	0	0	0	1051
-- COE CAT 4.11	COE411	51,828	40,367	0	0	0	40,367	0	1051
-- COE CAT 4.12	COE412	222,370	0	0	0	0	0	0	1051
-- COE CAT 4.13	COE413	4,661,966	1,183,967	1,148,443	0	0	35,524	0	1051
-- COE CAT 4.2	COE42	690,871	372,888	0	0	354,058	18,830	0	1051
-- COE CAT 4.3	COE43	89,836	22,342	0	0	22,342	0	0	1051
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1051
- CABLE & WIRE FACILITIES	CWF	14,449,905	3,884,661	3,296,017	0	145,820	442,825	0	1051
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1051
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1051
-- C&WF CAT 1.3	CWF13	13,379,786	3,397,971	3,296,017	0	0	101,954	0	1051
-- C&WF CAT 2	CWF2	697,056	331,528	0	0	0	331,528	0	1051
-- C&WF CAT 3	CWF3	204,079	113,137	0	0	103,794	9,343	0	1051
-- C&WF CAT 4	CWF4	168,984	42,026	0	0	42,026	0	0	1051
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1051
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1051
TELCOM PLANT-OTHER	PLTOTH	619,359	214,689	101,517	84,727	16,167	12,278	0	1051
ACCUM DEPRECIATION	ACCDEP	17,923,503	6,021,475	3,111,267	2,091,517	395,250	390,014	33,425	1051
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1051
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1051
NETWORK SUPPORT EXP	NETSPX	1,752	609	287	240	46	35	2	1051
GENERAL SUPPORT EXP	GSFX	1,342,868	467,043	217,332	181,387	34,611	26,286	7,427	1051
COE EXPENSE	COEX	635,366	278,624	51,284	196,473	26,637	4,230	0	1051
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1051
C&WF EXPENSE	CWFX	785,057	211,052	179,071	0	7,922	24,058	0	1051
OTHER PROP & PL EXP	OTHPX	122,559	42,625	20,156	16,822	3,210	2,438	0	1051
NETWORK OPERATIONS EXP	NETOPX	353,714	123,020	58,171	48,550	9,264	7,036	0	1051
DEPREC & AMORT EXP	DEPAMX	1,817,558	686,681	254,898	345,166	54,527	29,492	2,598	1051
MARKETING EXPENSE	MRKTX	73,880	33,774	15,917	13,284	2,535	1,925	113	1051
SERVICES EXPENSE	SERVX	457,889	137,329	46,487	24,807	3,646	2,772	59,617	1051
- CABSX EXPENSE	CABSX	28,538	14,269	0	10,683	2,038	1,548	0	1051
EXEC & PLANNING EXP	EXEPLX	773,624	262,962	130,654	90,328	16,482	12,901	12,597	1051
GENERAL & ADMIN EXP	GENADX	1,457,820	607,935	302,055	208,826	38,105	29,826	29,123	1051
OTHER TAXES (EXCL FIT & ITC)	OTAXES	280,539	104,811	47,730	43,098	8,249	5,684	49	1051
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1051
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1051
INTEREST & RELATED ITEMS(IRI)	INTREL	816	293	138	115	22	17	1	1051

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	109,427	27,891	18,049	3,854	325	5,588	75	1052
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1052
- GENERAL SUPPORT FACILITIES	GSF	4,350,321	1,229,448	784,681	167,562	14,142	242,952	20,112	1052
- CENTRAL OFFICE EQUIPMENT	COE	8,598,186	2,809,253	848,661	872,270	47,157	1,041,166	0	1052
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1052
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1052
-- COE CAT 3	COE3	3,686,688	872,270	0	872,270	0	0	0	1052
-- COE CAT 4.11	COE411	914,339	914,339	0	0	0	914,339	0	1052
-- COE CAT 4.12	COE412	152,955	0	0	0	0	0	0	1052
-- COE CAT 4.13	COE413	3,425,685	854,392	848,661	0	0	5,731	0	1052
-- COE CAT 4.2	COE42	408,827	167,841	0	0	46,746	121,096	0	1052
-- COE CAT 4.3	COE43	9,692	411	0	0	411	0	0	1052
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1052
- CABLE & WIRE FACILITIES	CWF	13,677,682	3,486,150	3,236,126	0	26,461	223,563	0	1052
-- C&WF CAT 1.1	CWF11	96,519	0	0	0	0	0	0	1052
-- C&WF CAT 1.2	CWF12	21,853	21,853	0	0	0	21,853	0	1052
-- C&WF CAT 1.3	CWF13	12,944,505	3,236,126	3,236,126	0	0	0	0	1052
-- C&WF CAT 2	CWF2	543,381	201,544	0	0	0	201,544	0	1052
-- C&WF CAT 3	CWF3	68,828	26,517	0	0	26,351	166	0	1052
-- C&WF CAT 4	CWF4	2,595	110	0	0	110	0	0	1052
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1052
- INTANGIBLES	INTANG	7,083	2,002	1,295	277	23	401	5	1052
TELCOM PLANT-OTHER	PLTOTH	83,696	23,590	15,307	3,269	276	4,739	0	1052
ACCUM DEPRECIATION	ACCDEP	12,876,560	3,509,837	2,179,194	729,273	34,443	556,686	10,241	1052
ACCUM AMORTIZATION	ACCAMO	7,083	1,996	1,295	277	23	401	0	1052
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1052
NETWORK SUPPORT EXP	NETSPX	1,587	449	290	62	5	90	1	1052
GENERAL SUPPORT EXP	GSFX	167,487	47,334	30,210	6,451	544	9,354	774	1052
COE EXPENSE	COEX	497,654	162,597	20,454	111,804	5,245	25,093	0	1052
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1052
C&WF EXPENSE	CWFX	461,654	117,666	109,227	0	893	7,546	0	1052
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1052
NETWORK OPERATIONS EXP	NETOPX	289,256	81,747	53,042	11,327	956	16,423	0	1052
DEPREC & AMORT EXP	DEPAMX	1,629,896	457,377	254,150	106,991	5,015	89,301	1,920	1052
MARKETING EXPENSE	MRKTX	76,942	31,984	20,697	4,420	373	6,408	85	1052
SERVICES EXPENSE	SERVX	451,422	167,176	63,965	27,392	2,312	23,892	49,615	1052
- CABSX EXPENSE	CABSX	83,096	41,548	0	16,394	1,384	23,770	0	1052
EXEC & PLANNING EXP	EXEPLX	363,733	114,870	60,630	28,153	1,801	15,485	8,801	1052
GENERAL & ADMIN EXP	GENADX	923,691	321,048	169,452	78,684	5,034	43,279	24,599	1052
OTHER TAXES (EXCL FIT & ITC)	OTAXES	104,499	30,410	19,732	4,214	356	6,109	0	1052
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1052
NON-OPERATING INC & EXP	NONOPX	12,058	4,083	2,642	564	48	818	11	1052
INTEREST & RELATED ITEMS(IRI)	INTREL	25,839	7,536	4,877	1,041	88	1,510	20	1052

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	112,896	29,784	15,159	9,014	1,397	4,148	65	1053
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1053
- GENERAL SUPPORT FACILITIES	GSF	3,924,207	1,409,130	711,381	423,007	65,578	194,656	14,510	1053
- CENTRAL OFFICE EQUIPMENT	COE	5,325,046	2,781,919	442,762	1,574,330	197,717	567,110	0	1053
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1053
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1053
-- COE CAT 3	COE3	2,535,198	1,574,330	0	1,574,330	0	0	0	1053
-- COE CAT 4.11	COE411	438,940	438,940	0	0	0	438,940	0	1053
-- COE CAT 4.12	COE412	20,092	0	0	0	0	0	0	1053
-- COE CAT 4.13	COE413	1,784,946	449,346	442,762	0	0	6,584	0	1053
-- COE CAT 4.2	COE42	545,870	319,303	0	0	197,717	121,586	0	1053
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1053
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1053
- CABLE & WIRE FACILITIES	CWF	9,129,525	2,408,525	2,204,827	0	46,347	157,352	0	1053
-- C&WF CAT 1.1	CWF11	36,428	0	0	0	0	0	0	1053
-- C&WF CAT 1.2	CWF12	32,786	32,786	0	0	0	32,786	0	1053
-- C&WF CAT 1.3	CWF13	8,819,306	2,204,827	2,204,827	0	0	0	0	1053
-- C&WF CAT 2	CWF2	145,630	123,692	0	0	0	123,692	0	1053
-- C&WF CAT 3	CWF3	95,375	47,221	0	0	46,347	874	0	1053
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1053
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1053
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1053
TELCOM PLANT-OTHER	PLTOTH	423,453	151,722	77,392	46,019	7,134	21,177	0	1053
ACCUM DEPRECIATION	ACCDEP	7,924,896	2,795,676	1,476,539	816,745	124,119	369,937	8,336	1053
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1053
NET DEFERRED FIT	NTDFIT	1,454,689	520,979	266,028	157,654	24,518	72,779	0	1053
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1053
GENERAL SUPPORT EXP	GSFX	319,689	114,796	57,953	34,461	5,342	15,858	1,182	1053
COE EXPENSE	COEX	275,771	144,069	18,608	87,925	13,701	23,835	0	1053
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1053
C&WF EXPENSE	CWFX	367,892	97,056	88,848	0	1,868	6,341	0	1053
OTHER PROP & PL EXP	OTHPX	7,575	2,720	1,387	825	128	380	0	1053
NETWORK OPERATIONS EXP	NETOPX	245,294	88,082	44,930	26,716	4,142	12,294	0	1053
DEPREC & AMORT EXP	DEPAMX	973,114	372,721	163,586	131,230	19,521	57,384	1,001	1053
MARKETING EXPENSE	MRKTX	132,466	39,205	19,954	11,865	1,839	5,460	86	1053
SERVICES EXPENSE	SERVX	487,386	137,473	36,040	20,563	3,188	5,189	72,494	1053
- CABSX EXPENSE	CABSX	36,298	18,149	0	11,236	1,742	5,171	0	1053
EXEC & PLANNING EXP	EXEPLX	902,876	302,723	137,608	84,653	14,023	32,197	34,242	1053
GENERAL & ADMIN EXP	GENADX	648,072	235,178	106,905	65,765	10,894	25,013	26,602	1053
OTHER TAXES (EXCL FIT & ITC)	OTAXES	134,934	48,767	24,876	14,792	2,293	6,807	0	1053
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1053
NON-OPERATING INC & EXP	NONOPX	2,505	869	442	263	41	121	2	1053
INTEREST & RELATED ITEMS(IRI)	INTREL	141,939	51,557	26,241	15,603	2,419	7,180	113	1053

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	55,145	16,302	8,421	4,401	273	3,207	0	1054
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1054
- GENERAL SUPPORT FACILITIES	GSF	1,285,586	460,516	237,882	124,334	7,708	90,593	0	1054
- CENTRAL OFFICE EQUIPMENT	COE	5,170,146	2,288,044	655,657	1,173,702	53,102	405,584	0	1054
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1054
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1054
-- COE CAT 3	COE3	1,827,229	1,173,702	0	1,173,702	0	0	0	1054
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1054
-- COE CAT 4.12	COE412	18,557	0	0	0	0	0	0	1054
-- COE CAT 4.13	COE413	2,697,506	709,668	655,657	0	0	54,011	0	1054
-- COE CAT 4.2	COE42	626,854	404,674	0	0	53,102	351,572	0	1054
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1054
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1054
- CABLE & WIRE FACILITIES	CWF	6,965,702	2,059,196	1,589,931	0	19,658	449,608	0	1054
-- C&WF CAT 1.1	CWF11	50,604	0	0	0	0	0	0	1054
-- C&WF CAT 1.2	CWF12	130,975	130,975	0	0	0	130,975	0	1054
-- C&WF CAT 1.3	CWF13	6,359,722	1,589,931	1,589,931	0	0	0	0	1054
-- C&WF CAT 2	CWF2	14,656	0	0	0	0	0	0	1054
-- C&WF CAT 3	CWF3	409,745	338,291	0	0	19,658	318,633	0	1054
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1054
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1054
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1054
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1054
ACCUM DEPRECIATION	ACCDEP	6,686,138	2,407,738	1,230,390	684,880	37,156	455,312	0	1054
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1054
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1054
NETWORK SUPPORT EXP	NETSPX	5,335	1,911	987	516	32	376	0	1054
GENERAL SUPPORT EXP	GSFX	90,667	32,478	16,777	8,769	544	6,389	0	1054
COE EXPENSE	COEX	161,611	71,521	6,182	61,014	501	3,824	0	1054
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1054
C&WF EXPENSE	CWFX	183,697	54,304	41,929	0	518	11,857	0	1054
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1054
NETWORK OPERATIONS EXP	NETOPX	72,071	25,817	13,336	6,970	432	5,079	0	1054
DEPREC & AMORT EXP	DEPAMX	1,125,622	427,122	191,600	144,099	8,286	83,137	0	1054
MARKETING EXPENSE	MRKTX	48,135	8,581	4,433	2,317	144	1,688	0	1054
SERVICES EXPENSE	SERVX	375,462	120,829	12,788	24,161	1,498	17,635	64,748	1054
- CABSX EXPENSE	CABSX	85,416	42,708	0	23,851	1,479	17,378	0	1054
EXEC & PLANNING EXP	EXEPLX	145,137	48,505	14,828	15,953	564	7,204	9,956	1054
GENERAL & ADMIN EXP	GENADX	458,899	182,308	55,732	59,960	2,120	27,076	37,420	1054
OTHER TAXES (EXCL FIT & ITC)	OTAXES	114,585	41,046	21,203	11,082	687	8,075	0	1054
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1054
NON-OPERATING INC & EXP	NONOPX	10,655	4,071	2,103	1,099	68	801	0	1054
INTEREST & RELATED ITEMS(IRI)	INTREL	65,312	23,241	12,005	6,275	389	4,572	0	1054

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	74,969	24,429	8,881	8,772	1,616	5,161	0	1055
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1055
- GENERAL SUPPORT FACILITIES	GSF	949,601	385,427	140,112	138,398	25,497	81,420	0	1055
- CENTRAL OFFICE EQUIPMENT	COE	2,454,499	1,213,476	155,548	805,239	53,545	199,143	0	1055
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1055
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1055
-- COE CAT 3	COE3	1,397,160	740,337	0	740,337	0	0	0	1055
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1055
-- COE CAT 4.12	COE412	17,330	0	0	0	0	0	0	1055
-- COE CAT 4.13	COE413	643,708	174,846	155,548	0	0	19,298	0	1055
-- COE CAT 4.2	COE42	286,888	223,123	0	0	43,278	179,845	0	1055
-- COE CAT 4.3	COE43	17,618	10,267	0	0	10,267	0	0	1055
- INFORMATION ORIG/TERM	IOT	10,168	2,542	2,542	0	0	0	0	1055
- CABLE & WIRE FACILITIES	CWF	3,505,702	1,142,352	722,830	0	106,761	312,761	0	1055
-- C&WF CAT 1.1	CWF11	10,308	0	0	0	0	0	0	1055
-- C&WF CAT 1.2	CWF12	89,677	89,677	0	0	0	89,677	0	1055
-- C&WF CAT 1.3	CWF13	2,891,320	722,830	722,830	0	0	0	0	1055
-- C&WF CAT 2	CWF2	19,846	0	0	0	0	0	0	1055
-- C&WF CAT 3	CWF3	474,447	318,129	0	0	95,045	223,084	0	1055
-- C&WF CAT 4	CWF4	20,104	11,716	0	0	11,716	0	0	1055
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1055
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1055
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1055
ACCUM DEPRECIATION	ACCDEP	4,779,372	2,042,137	630,268	882,691	123,747	405,430	0	1055
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1055
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1055
NETWORK SUPPORT EXP	NETSPX	34,812	14,130	5,136	5,074	935	2,985	0	1055
GENERAL SUPPORT EXP	GSFX	42,783	17,365	6,313	6,235	1,149	3,668	0	1055
COE EXPENSE	COEX	82,961	43,209	473	41,968	163	605	0	1055
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1055
C&WF EXPENSE	CWFX	145,920	47,549	30,087	0	4,444	13,018	0	1055
OTHER PROP & PL EXP	OTHPX	70	28	10	10	2	6	0	1055
NETWORK OPERATIONS EXP	NETOPX	8,733	3,545	1,289	1,273	234	749	0	1055
DEPREC & AMORT EXP	DEPAMX	359,361	144,442	54,064	49,807	9,705	30,866	0	1055
MARKETING EXPENSE	MRKTX	1,024	274	99	98	18	58	0	1055
SERVICES EXPENSE	SERVX	112,112	45,683	4,474	8,243	1,519	4,850	26,598	1055
- CABSX EXPENSE	CABSX	29,029	14,515	0	8,189	1,509	4,817	0	1055
EXEC & PLANNING EXP	EXEPLX	127,200	50,865	14,178	18,625	2,506	7,680	7,876	1055
GENERAL & ADMIN EXP	GENADX	247,357	119,136	33,207	43,624	5,869	17,989	18,446	1055
OTHER TAXES (EXCL FIT & ITC)	OTAXES	88,912	34,751	14,375	10,157	2,475	7,744	0	1055
INVESTMENT TAX CREDITS (ITC)	ITC	-777	-310	-127	-118	-16	-49	0	1055
NON-OPERATING INC & EXP	NONOPX	1,767	802	292	288	53	169	0	1055
INTEREST & RELATED ITEMS(IRI)	INTREL	9,616	3,433	1,248	1,233	227	725	0	1055

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	49,022	18,224	6,887	3,940	2,407	4,990	0	1056
RTB STOCK	RTBSTK	98,550	40,828	15,429	8,826	5,393	11,180	0	1056
- GENERAL SUPPORT FACILITIES	GSF	1,145,486	474,560	179,336	102,591	62,685	129,948	0	1056
- CENTRAL OFFICE EQUIPMENT	COE	4,185,625	1,975,311	429,129	931,805	223,419	390,958	0	1056
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1056
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1056
-- COE CAT 3	COE3	1,537,887	886,672	0	886,672	0	0	0	1056
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1056
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1056
-- COE CAT 4.13	COE413	1,792,371	491,258	429,129	0	0	62,130	0	1056
-- COE CAT 4.2	COE42	771,865	544,374	0	0	215,545	328,829	0	1056
-- COE CAT 4.3	COE43	14,843	7,873	0	0	7,873	0	0	1056
- INFORMATION ORIG/TERM	IOT	3,284	821	821	0	0	0	0	1056
- CABLE & WIRE FACILITIES	CWF	6,719,197	2,497,824	1,277,813	0	373,511	846,500	0	1056
-- C&WF CAT 1.1	CWF11	40,873	0	0	0	0	0	0	1056
-- C&WF CAT 1.2	CWF12	185,003	185,003	0	0	0	185,003	0	1056
-- C&WF CAT 1.3	CWF13	5,111,251	1,277,813	1,277,813	0	0	0	0	1056
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1056
-- C&WF CAT 3	CWF3	1,346,371	1,016,072	0	0	354,575	661,497	0	1056
-- C&WF CAT 4	CWF4	35,699	18,936	0	0	18,936	0	0	1056
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1056
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1056
TELCOM PLANT-OTHER	PLTOTH	10,364	4,294	1,623	928	567	1,176	0	1056
ACCUM DEPRECIATION	ACCDEP	8,248,144	3,473,186	1,247,706	833,974	460,719	930,786	0	1056
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1056
NET DEFERRED FIT	NTDFIT	128,441	53,394	19,960	12,049	6,951	14,435	0	1056
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1056
GENERAL SUPPORT EXP	GSFX	29,571	12,251	4,630	2,648	1,618	3,355	0	1056
COE EXPENSE	COEX	130,093	62,797	3,466	54,369	1,805	3,158	0	1056
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1056
C&WF EXPENSE	CWFX	152,854	56,823	29,069	0	8,497	19,257	0	1056
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1056
NETWORK OPERATIONS EXP	NETOPX	102,714	42,553	16,081	9,199	5,621	11,652	0	1056
DEPREC & AMORT EXP	DEPAMX	681,324	294,112	96,951	97,514	31,731	67,917	0	1056
MARKETING EXPENSE	MRKTX	5,768	1,095	414	237	145	300	0	1056
SERVICES EXPENSE	SERVX	93,871	26,197	5,806	3,444	2,104	4,328	10,514	1056
- CABSX EXPENSE	CABSX	19,404	9,702	0	3,371	2,060	4,271	0	1056
EXEC & PLANNING EXP	EXEPLX	48,155	18,800	5,542	6,514	1,844	3,919	980	1056
GENERAL & ADMIN EXP	GENADX	207,482	106,297	31,336	36,833	10,428	22,159	5,541	1056
OTHER TAXES (EXCL FIT & ITC)	OTAXES	135,273	55,613	22,026	10,723	7,317	15,546	0	1056
INVESTMENT TAX CREDITS (ITC)	ITC	2,629	1,089	412	235	144	298	0	1056
NON-OPERATING INC & EXP	NONOPX	430	210	80	45	28	58	0	1056
INTEREST & RELATED ITEMS(IRI)	INTREL	115,033	45,906	17,348	9,924	6,064	12,571	0	1056

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	1,197,372	343,966	170,788	64,966	10,571	97,045	596	1057
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1057
- GENERAL SUPPORT FACILITIES	GSF	7,294,822	2,437,346	1,188,327	452,024	73,553	675,226	48,216	1057
- CENTRAL OFFICE EQUIPMENT	COE	32,076,374	12,408,660	2,724,815	4,437,310	650,686	4,595,849	0	1057
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1057
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1057
-- COE CAT 3	COE3	13,575,648	4,071,917	0	4,071,917	0	0	0	1057
-- COE CAT 4.11	COE411	2,653,774	2,653,774	0	0	0	2,653,774	0	1057
-- COE CAT 4.12	COE412	16,995	0	0	0	0	0	0	1057
-- COE CAT 4.13	COE413	11,164,230	2,774,837	2,724,815	0	0	50,022	0	1057
-- COE CAT 4.2	COE42	3,758,905	2,472,682	0	0	580,629	1,892,054	0	1057
-- COE CAT 4.3	COE43	340,817	70,057	0	0	70,057	0	0	1057
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1057
- CABLE & WIRE FACILITIES	CWF	43,896,975	12,610,164	9,901,017	0	130,801	2,578,346	0	1057
-- C&WF CAT 1.1	CWF11	781,044	0	0	0	0	0	0	1057
-- C&WF CAT 1.2	CWF12	181,761	181,761	0	0	0	181,761	0	1057
-- C&WF CAT 1.3	CWF13	39,604,068	9,901,017	9,901,017	0	0	0	0	1057
-- C&WF CAT 2	CWF2	2,961,514	2,386,759	0	0	0	2,386,759	0	1057
-- C&WF CAT 3	CWF3	178,597	101,573	0	0	91,747	9,826	0	1057
-- C&WF CAT 4	CWF4	189,991	39,054	0	0	39,054	0	0	1057
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1057
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1057
TELCOM PLANT-OTHER	PLTOTH	221	74	37	14	2	21	0	1057
ACCUM DEPRECIATION	ACCDEP	39,186,196	13,156,578	5,207,281	4,599,369	327,460	2,991,422	31,046	1057
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1057
NET DEFERRED FIT	NTDFIT	3,358,102	1,120,096	557,127	211,847	34,493	316,628	0	1057
NETWORK SUPPORT EXP	NETSPX	35,584	11,889	5,903	2,246	365	3,354	21	1057
GENERAL SUPPORT EXP	GSFX	723,115	241,607	117,795	44,808	7,291	66,933	4,780	1057
COE EXPENSE	COEX	1,737,425	691,910	67,280	482,648	28,503	113,479	0	1057
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1057
C&WF EXPENSE	CWFX	1,282,301	368,363	289,225	0	3,821	75,318	0	1057
OTHER PROP & PL EXP	OTHPX	16,467	5,502	2,737	1,041	169	1,555	0	1057
NETWORK OPERATIONS EXP	NETOPX	1,610,813	538,205	267,697	101,829	16,569	152,110	0	1057
DEPREC & AMORT EXP	DEPAMX	7,317,453	2,629,660	1,005,351	669,455	105,728	846,286	2,840	1057
MARKETING EXPENSE	MRKTX	560,974	120,399	59,781	22,740	3,700	33,969	209	1057
SERVICES EXPENSE	SERVX	1,768,947	454,626	71,212	52,017	8,464	66,259	256,674	1057
- CABSX EXPENSE	CABSX	233,766	116,883	0	43,999	7,159	65,725	0	1057
EXEC & PLANNING EXP	EXEPLX	773,375	241,497	100,051	64,511	6,282	46,786	23,867	1057
GENERAL & ADMIN EXP	GENADX	1,249,793	450,520	186,649	120,348	11,720	87,280	44,524	1057
OTHER TAXES (EXCL FIT & ITC)	OTAXES	1,050,480	456,413	243,349	60,032	14,998	137,869	165	1057
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1057
NON-OPERATING INC & EXP	NONOPX	46,369	15,860	7,875	2,996	487	4,475	27	1057
INTEREST & RELATED ITEMS(IRI)	INTREL	629,262	208,450	125,747	3,880	7,697	70,904	223	1057

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	13,647	3,898	2,099	784	170	845	0	1058
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1058
- GENERAL SUPPORT FACILITIES	GSF	1,826,696	603,148	324,800	121,280	26,322	130,745	0	1058
- CENTRAL OFFICE EQUIPMENT	COE	5,667,899	2,388,125	580,353	1,145,872	94,267	567,634	0	1058
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1058
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1058
-- COE CAT 3	COE3	2,255,103	1,145,872	0	1,145,872	0	0	0	1058
-- COE CAT 4.11	COE411	413,388	400,986	0	0	0	400,986	0	1058
-- COE CAT 4.12	COE412	53,325	0	0	0	0	0	0	1058
-- COE CAT 4.13	COE413	2,378,194	612,249	580,353	0	0	31,896	0	1058
-- COE CAT 4.2	COE42	264,931	166,124	0	0	31,373	134,751	0	1058
-- COE CAT 4.3	COE43	302,958	62,894	0	0	62,894	0	0	1058
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1058
- CABLE & WIRE FACILITIES	CWF	11,590,966	3,310,495	2,488,402	0	154,429	667,664	0	1058
-- C&WF CAT 1.1	CWF11	106,705	0	0	0	0	0	0	1058
-- C&WF CAT 1.2	CWF12	136,763	136,763	0	0	0	136,763	0	1058
-- C&WF CAT 1.3	CWF13	9,953,608	2,488,402	2,488,402	0	0	0	0	1058
-- C&WF CAT 2	CWF2	153,273	112,275	0	0	0	112,275	0	1058
-- C&WF CAT 3	CWF3	496,735	418,626	0	0	0	418,626	0	1058
-- C&WF CAT 4	CWF4	743,883	154,429	0	0	154,429	0	0	1058
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1058
- INTANGIBLES	INTANG	970,193	320,343	172,508	64,414	13,980	69,441	0	1058
TELCOM PLANT-OTHER	PLTOTH	114,850	37,922	20,421	7,625	1,655	8,220	0	1058
ACCUM DEPRECIATION	ACCDEP	12,013,562	3,890,241	2,220,567	561,240	184,245	924,188	0	1058
ACCUM AMORTIZATION	ACCAMO	64,716	21,368	11,507	4,297	933	4,632	0	1058
NET DEFERRED FIT	NTDFIT	281,918	93,085	50,127	18,717	4,062	20,178	0	1058
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1058
GENERAL SUPPORT EXP	GSFX	30,677	10,129	5,455	2,037	442	2,196	0	1058
COE EXPENSE	COEX	224,470	94,579	13,967	64,682	2,269	13,661	0	1058
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1058
C&WF EXPENSE	CWFX	528,189	150,856	113,394	0	7,037	30,425	0	1058
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1058
NETWORK OPERATIONS EXP	NETOPX	108,706	35,893	19,329	7,217	1,566	7,781	0	1058
DEPREC & AMORT EXP	DEPAMX	965,747	342,062	151,360	105,436	13,762	71,504	0	1058
MARKETING EXPENSE	MRKTX	48,819	17,669	9,515	3,553	771	3,830	0	1058
SERVICES EXPENSE	SERVX	394,360	110,556	3,349	9,411	2,030	10,084	85,681	1058
- CABSX EXPENSE	CABSX	42,305	21,153	0	9,216	2,000	9,936	0	1058
EXEC & PLANNING EXP	EXEPLX	632,071	198,435	106,329	31,428	5,105	24,585	30,988	1058
GENERAL & ADMIN EXP	GENADX	202,119	95,108	50,962	15,063	2,447	11,783	14,852	1058
OTHER TAXES (EXCL FIT & ITC)	OTAXES	500,624	167,398	87,887	37,632	7,045	34,833	0	1058
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1058
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1058
INTEREST & RELATED ITEMS(IRI)	INTREL	341,713	115,837	62,379	23,292	5,055	25,110	0	1058

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	127,543	32,228	21,223	5,106	3,265	2,558	76	1059
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1059
- GENERAL SUPPORT FACILITIES	GSF	2,257,040	635,632	411,044	98,897	63,245	49,546	12,899	1059
- CENTRAL OFFICE EQUIPMENT	COE	3,940,069	1,492,700	386,043	768,347	105,109	233,201	0	1059
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1059
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1059
-- COE CAT 3	COE3	1,682,448	768,347	0	768,347	0	0	0	1059
-- COE CAT 4.11	COE411	196,605	196,605	0	0	0	196,605	0	1059
-- COE CAT 4.12	COE412	16,311	0	0	0	0	0	0	1059
-- COE CAT 4.13	COE413	1,585,970	404,352	386,043	0	0	18,309	0	1059
-- COE CAT 4.2	COE42	197,767	68,454	0	0	50,168	18,287	0	1059
-- COE CAT 4.3	COE43	260,968	54,942	0	0	54,942	0	0	1059
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1059
- CABLE & WIRE FACILITIES	CWF	13,239,384	3,345,408	2,807,427	0	386,252	151,729	0	1059
-- C&WF CAT 1.1	CWF11	170,832	0	0	0	0	0	0	1059
-- C&WF CAT 1.2	CWF12	133,149	133,149	0	0	0	133,149	0	1059
-- C&WF CAT 1.3	CWF13	11,229,707	2,807,427	2,807,427	0	0	0	0	1059
-- C&WF CAT 2	CWF2	69,425	0	0	0	0	0	0	1059
-- C&WF CAT 3	CWF3	525,442	170,970	0	0	152,389	18,581	0	1059
-- C&WF CAT 4	CWF4	1,110,829	233,863	0	0	233,863	0	0	1059
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1059
- INTANGIBLES	INTANG	658	185	122	29	19	15	0	1059
TELCOM PLANT-OTHER	PLTOTH	1,056,459	296,821	195,921	47,139	30,145	23,616	0	1059
ACCUM DEPRECIATION	ACCDEP	9,676,092	2,835,125	1,693,990	596,286	274,556	260,999	9,295	1059
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1059
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1059
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1059
GENERAL SUPPORT EXP	GSFX	112,762	31,756	20,536	4,941	3,160	2,475	644	1059
COE EXPENSE	COEX	92,338	34,982	2,869	29,599	781	1,733	0	1059
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1059
C&WF EXPENSE	CWFX	245,773	62,103	52,116	0	7,170	2,817	0	1059
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1059
NETWORK OPERATIONS EXP	NETOPX	194,082	54,658	36,078	8,680	5,551	4,349	0	1059
DEPREC & AMORT EXP	DEPAMX	1,167,042	375,325	169,676	146,331	28,396	29,798	1,124	1059
MARKETING EXPENSE	MRKTX	-481	-148	-98	-23	-15	-12	0	1059
SERVICES EXPENSE	SERVX	330,636	77,800	19,729	18,143	9,195	6,569	24,163	1059
- CABSX EXPENSE	CABSX	50,636	25,319	0	11,828	7,564	5,926	0	1059
EXEC & PLANNING EXP	EXEPLX	215,570	57,344	32,560	11,701	4,930	3,421	4,732	1059
GENERAL & ADMIN EXP	GENADX	389,460	148,038	84,057	30,207	12,727	8,830	12,217	1059
OTHER TAXES (EXCL FIT & ITC)	OTAXES	178,212	50,122	33,084	7,960	5,090	3,988	0	1059
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1059
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1059
INTEREST & RELATED ITEMS(IRI)	INTREL	374,847	268	177	42	27	21	1	1059

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	91,196	29,503	13,744	2,788	590	12,382	0	1060
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1060
- GENERAL SUPPORT FACILITIES	GSF	2,996,408	1,166,317	543,339	110,199	23,318	489,461	0	1060
- CENTRAL OFFICE EQUIPMENT	COE	9,674,557	4,506,263	1,289,165	770,209	112,790	2,334,099	0	1060
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1060
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1060
-- COE CAT 3	COE3	1,912,080	770,209	0	770,209	0	0	0	1060
-- COE CAT 4.11	COE411	1,614,050	1,614,050	0	0	0	1,614,050	0	1060
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1060
-- COE CAT 4.13	COE413	5,234,110	1,354,075	1,289,165	0	0	64,910	0	1060
-- COE CAT 4.2	COE42	914,317	767,929	0	0	112,790	655,139	0	1060
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1060
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1060
- CABLE & WIRE FACILITIES	CWF	11,268,121	3,645,433	2,508,376	0	50,188	1,086,870	0	1060
-- C&WF CAT 1.1	CWF11	24,398	0	0	0	0	0	0	1060
-- C&WF CAT 1.2	CWF12	126,298	126,298	0	0	0	126,298	0	1060
-- C&WF CAT 1.3	CWF13	10,033,504	2,508,376	2,508,376	0	0	0	0	1060
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1060
-- C&WF CAT 3	CWF3	1,083,921	1,010,760	0	0	50,188	960,572	0	1060
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1060
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1060
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1060
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1060
ACCUM DEPRECIATION	ACCDEP	10,565,978	4,164,222	1,791,162	609,084	80,306	1,683,670	0	1060
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1060
NET DEFERRED FIT	NTDFIT	1,065,517	414,737	193,201	39,209	8,291	174,036	0	1060
NETWORK SUPPORT EXP	NETSPX	13,736	5,347	2,491	505	107	2,244	0	1060
GENERAL SUPPORT EXP	GSFX	149,681	58,262	27,142	5,505	1,165	24,450	0	1060
COE EXPENSE	COEX	278,570	129,754	17,162	72,705	8,814	31,072	0	1060
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1060
C&WF EXPENSE	CWFX	40,047	12,956	8,915	0	178	3,863	0	1060
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1060
NETWORK OPERATIONS EXP	NETOPX	230,564	89,744	41,808	8,479	1,794	37,662	0	1060
DEPREC & AMORT EXP	DEPAMX	2,196,999	895,397	358,421	133,782	18,415	384,778	0	1060
MARKETING EXPENSE	MRKTX	27,831	16,165	7,531	1,527	323	6,784	0	1060
SERVICES EXPENSE	SERVX	132,184	49,423	14,517	4,062	860	17,559	12,424	1060
- CABSX EXPENSE	CABSX	14,720	7,360	0	1,302	275	5,783	0	1060
EXEC & PLANNING EXP	EXEPLX	204,412	85,905	35,305	19,394	2,768	25,842	2,597	1060
GENERAL & ADMIN EXP	GENADX	657,987	340,809	140,064	76,940	10,980	102,522	10,303	1060
OTHER TAXES (EXCL FIT & ITC)	OTAXES	235,264	91,924	42,824	8,685	1,838	38,577	0	1060
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1060
NON-OPERATING INC & EXP	NONOPX	38,690	19,144	8,918	1,809	383	8,034	0	1060
INTEREST & RELATED ITEMS(IRI)	INTREL	205,358	78,980	39,214	3,972	1,610	34,185	0	1060

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	14,923	3,922	2,553	1,027	145	197	0	1061
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1061
- GENERAL SUPPORT FACILITIES	GSF	785,022	230,222	149,858	60,302	8,507	11,556	0	1061
- CENTRAL OFFICE EQUIPMENT	COE	3,345,336	1,105,734	474,723	571,708	27,379	31,923	0	1061
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1061
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1061
-- COE CAT 3	COE3	1,265,569	571,708	0	571,708	0	0	0	1061
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1061
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1061
-- COE CAT 4.13	COE413	1,932,430	503,635	474,723	0	0	28,911	0	1061
-- COE CAT 4.2	COE42	51,198	15,914	0	0	12,903	3,012	0	1061
-- COE CAT 4.3	COE43	96,139	14,477	0	0	14,477	0	0	1061
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1061
- CABLE & WIRE FACILITIES	CWF	4,097,228	1,076,937	946,035	0	53,269	77,633	0	1061
-- C&WF CAT 1.1	CWF11	9,218	0	0	0	0	0	0	1061
-- C&WF CAT 1.2	CWF12	57,615	57,615	0	0	0	57,615	0	1061
-- C&WF CAT 1.3	CWF13	3,784,140	946,035	946,035	0	0	0	0	1061
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1061
-- C&WF CAT 3	CWF3	169,101	61,670	0	0	41,652	20,018	0	1061
-- C&WF CAT 4	CWF4	77,154	11,618	0	0	11,618	0	0	1061
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1061
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1061
TELCOM PLANT-OTHER	PLTOTH	544,281	159,621	103,901	41,809	5,898	8,012	0	1061
ACCUM DEPRECIATION	ACCDEP	2,912,278	892,562	505,550	320,581	28,824	37,607	0	1061
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1061
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1061
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1061
GENERAL SUPPORT EXP	GSFX	38,837	11,390	7,414	2,983	421	572	0	1061
COE EXPENSE	COEX	59,383	19,628	10,787	7,493	622	725	0	1061
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1061
C&WF EXPENSE	CWFX	125,249	32,921	28,920	0	1,628	2,373	0	1061
OTHER PROP & PL EXP	OTHPX	4,300	1,261	821	330	47	63	0	1061
NETWORK OPERATIONS EXP	NETOPX	42,336	12,416	8,082	3,252	459	623	0	1061
DEPREC & AMORT EXP	DEPAMX	603,156	181,794	108,928	58,377	6,193	8,297	0	1061
MARKETING EXPENSE	MRKTX	41,395	8,279	5,389	2,169	306	416	0	1061
SERVICES EXPENSE	SERVX	136,299	35,078	3,351	12,134	1,690	2,037	15,866	1061
- CABSX EXPENSE	CABSX	28,095	14,048	0	10,541	1,487	2,020	0	1061
EXEC & PLANNING EXP	EXEPLX	124,494	33,325	19,121	7,167	1,307	1,721	4,009	1061
GENERAL & ADMIN EXP	GENADX	106,830	31,406	18,020	6,754	1,232	1,622	3,779	1061
OTHER TAXES (EXCL FIT & ITC)	OTAXES	65,015	19,234	12,520	5,038	711	965	0	1061
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1061
NON-OPERATING INC & EXP	NONOPX	14,025	3,925	2,555	1,028	145	197	0	1061
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1061

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	38,091	13,516	3,788	6,178	916	2,635	0	1062
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1062
- GENERAL SUPPORT FACILITIES	GSF	581,881	295,140	82,710	134,898	20,001	57,532	0	1062
- CENTRAL OFFICE EQUIPMENT	COE	1,354,963	931,600	84,539	696,357	34,110	116,593	0	1062
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1062
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1062
-- COE CAT 3	COE3	819,244	676,192	0	676,192	0	0	0	1062
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1062
-- COE CAT 4.12	COE412	4,018	0	0	0	0	0	0	1062
-- COE CAT 4.13	COE413	357,131	103,514	84,539	0	0	18,976	0	1062
-- COE CAT 4.2	COE42	145,631	131,728	0	0	34,110	97,618	0	1062
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1062
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1062
- CABLE & WIRE FACILITIES	CWF	1,735,756	615,899	354,781	0	72,127	188,992	0	1062
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1062
-- C&WF CAT 1.2	CWF12	79,634	79,634	0	0	0	79,634	0	1062
-- C&WF CAT 1.3	CWF13	1,419,124	354,781	354,781	0	0	0	0	1062
-- C&WF CAT 2	CWF2	18,836	0	0	0	0	0	0	1062
-- C&WF CAT 3	CWF3	218,162	181,484	0	0	72,127	109,358	0	1062
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1062
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1062
- INTANGIBLES	INTANG	1,860	943	264	431	64	184	0	1062
TELCOM PLANT-OTHER	PLTOTH	16,350	8,293	2,324	3,790	562	1,617	0	1062
ACCUM DEPRECIATION	ACCDEP	2,014,682	1,013,952	289,620	454,748	69,671	199,912	0	1062
ACCUM AMORTIZATION	ACCAMO	1,813	920	258	420	62	179	0	1062
NET DEFERRED FIT	NTDFIT	238,202	120,669	33,921	54,963	8,200	23,585	0	1062
NETWORK SUPPORT EXP	NETSPX	2,866	1,454	407	664	99	283	0	1062
GENERAL SUPPORT EXP	GSFX	32,854	16,664	4,670	7,617	1,129	3,248	0	1062
COE EXPENSE	COEX	104,319	73,277	141	72,884	57	195	0	1062
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1062
C&WF EXPENSE	CWFX	53,423	18,956	10,919	0	2,220	5,817	0	1062
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1062
NETWORK OPERATIONS EXP	NETOPX	10,296	5,222	1,463	2,387	354	1,018	0	1062
DEPREC & AMORT EXP	DEPAMX	350,862	223,588	30,860	159,494	8,286	24,948	0	1062
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1062
SERVICES EXPENSE	SERVX	72,630	19,375	4,714	5,313	788	2,266	6,295	1062
- CABSX EXPENSE	CABSX	16,629	8,315	0	5,280	783	2,252	0	1062
EXEC & PLANNING EXP	EXEPLX	109,286	53,052	8,773	34,935	1,827	5,043	2,475	1062
GENERAL & ADMIN EXP	GENADX	128,092	82,622	13,662	54,408	2,845	7,853	3,854	1062
OTHER TAXES (EXCL FIT & ITC)	OTAXES	66,974	34,094	9,460	15,734	2,294	6,606	0	1062
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1062
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1062
INTEREST & RELATED ITEMS(IRI)	INTREL	19,328	9,912	2,708	4,642	659	1,903	0	1062

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	1,666	558	136	284	129	7	1	1063
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1063
- GENERAL SUPPORT FACILITIES	GSF	1,344,494	679,503	165,406	345,796	157,303	8,818	2,179	1063
- CENTRAL OFFICE EQUIPMENT	COE	461,938	374,692	1,197	333,061	39,069	1,364	0	1063
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1063
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1063
-- COE CAT 3	COE3	391,837	333,061	0	333,061	0	0	0	1063
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1063
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1063
-- COE CAT 4.13	COE413	4,921	1,251	1,197	0	0	54	0	1063
-- COE CAT 4.2	COE42	65,180	40,379	0	0	39,069	1,310	0	1063
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1063
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1063
- CABLE & WIRE FACILITIES	CWF	828,888	277,687	158,117	0	112,441	7,129	0	1063
-- C&WF CAT 1.1	CWF11	10,185	0	0	0	0	0	0	1063
-- C&WF CAT 1.2	CWF12	7,129	7,129	0	0	0	7,129	0	1063
-- C&WF CAT 1.3	CWF13	632,468	158,117	158,117	0	0	0	0	1063
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1063
-- C&WF CAT 3	CWF3	179,106	112,441	0	0	112,441	0	0	1063
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1063
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1063
- INTANGIBLES	INTANG	701	354	86	181	82	5	1	1063
TELCOM PLANT-OTHER	PLTOTH	4,125	2,081	508	1,063	483	27	0	1063
ACCUM DEPRECIATION	ACCDEP	1,884,743	936,804	238,071	459,341	225,443	12,659	1,291	1063
ACCUM AMORTIZATION	ACCAMO	620	313	76	160	73	4	0	1063
NET DEFERRED FIT	NTDFIT	12,556	6,335	1,547	3,234	1,471	82	0	1063
NETWORK SUPPORT EXP	NETSPX	5,925	2,994	730	1,526	694	39	5	1063
GENERAL SUPPORT EXP	GSFX	17,051	8,618	2,098	4,385	1,995	112	28	1063
COE EXPENSE	COEX	213,449	173,135	1,610	117,156	52,535	1,834	0	1063
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1063
C&WF EXPENSE	CWFX	20,197	6,766	3,853	0	2,740	174	0	1063
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1063
NETWORK OPERATIONS EXP	NETOPX	9,371	4,736	1,157	2,418	1,100	62	0	1063
DEPREC & AMORT EXP	DEPAMX	155,362	85,177	17,024	52,903	14,295	843	113	1063
MARKETING EXPENSE	MRKTX	24,540	10,438	2,545	5,320	2,420	136	17	1063
SERVICES EXPENSE	SERVX	86,865	37,854	4,665	16,696	7,595	319	8,580	1063
- CABSX EXPENSE	CABSX	36,935	18,468	0	12,475	5,675	318	0	1063
EXEC & PLANNING EXP	EXEPLX	127,714	83,935	5,717	50,627	23,710	918	2,962	1063
GENERAL & ADMIN EXP	GENADX	166,863	117,537	8,006	70,896	33,202	1,286	4,148	1063
OTHER TAXES (EXCL FIT & ITC)	OTAXES	33,691	17,043	4,162	8,701	3,958	222	0	1063
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1063
NON-OPERATING INC & EXP	NONOPX	6,348	4,342	1,059	2,213	1,007	56	7	1063
INTEREST & RELATED ITEMS(IRI)	INTREL	17,106	9,008	1,985	4,988	1,908	107	20	1063

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	46,115	11,927	4,940	3,151	1,739	2,097	0	1064
RTB STOCK	RTBSTK	85,146	25,971	10,757	6,860	3,788	4,567	0	1064
- GENERAL SUPPORT FACILITIES	GSF	2,420,727	738,371	305,825	195,037	107,681	129,829	0	1064
- CENTRAL OFFICE EQUIPMENT	COE	8,367,740	3,362,734	275,290	2,082,091	420,001	585,351	0	1064
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1064
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1064
-- COE CAT 3	COE3	4,429,322	2,082,091	0	2,082,091	0	0	0	1064
-- COE CAT 4.11	COE411	296,184	285,736	0	0	0	285,736	0	1064
-- COE CAT 4.12	COE412	177,595	0	0	0	0	0	0	1064
-- COE CAT 4.13	COE413	1,145,595	290,676	275,290	0	0	15,386	0	1064
-- COE CAT 4.2	COE42	1,618,104	574,290	0	0	290,061	284,229	0	1064
-- COE CAT 4.3	COE43	700,940	129,940	0	0	129,940	0	0	1064
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1064
- CABLE & WIRE FACILITIES	CWF	17,474,424	4,519,657	2,989,511	0	729,529	800,617	0	1064
-- C&WF CAT 1.1	CWF11	315,459	0	0	0	0	0	0	1064
-- C&WF CAT 1.2	CWF12	167,086	167,086	0	0	0	167,086	0	1064
-- C&WF CAT 1.3	CWF13	11,958,044	2,989,511	2,989,511	0	0	0	0	1064
-- C&WF CAT 2	CWF2	327,442	0	0	0	0	0	0	1064
-- C&WF CAT 3	CWF3	3,542,718	1,147,337	0	0	513,807	633,530	0	1064
-- C&WF CAT 4	CWF4	1,163,674	215,722	0	0	215,722	0	0	1064
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1064
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1064
TELCOM PLANT-OTHER	PLTOTH	859,329	262,113	108,564	69,236	38,225	46,088	0	1064
ACCUM DEPRECIATION	ACCDEP	18,129,092	5,622,904	2,202,659	1,629,292	808,339	982,614	0	1064
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1064
NET DEFERRED FIT	NTDFIT	286,423	87,365	36,186	23,077	12,741	15,361	0	1064
NETWORK SUPPORT EXP	NETSPX	7,124	2,173	900	574	317	382	0	1064
GENERAL SUPPORT EXP	GSFX	167,318	51,035	21,138	13,481	7,443	8,974	0	1064
COE EXPENSE	COEX	235,086	94,474	5,165	70,448	7,880	10,982	0	1064
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1064
C&WF EXPENSE	CWFX	667,637	172,680	114,219	0	27,873	30,589	0	1064
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1064
NETWORK OPERATIONS EXP	NETOPX	181,710	55,425	22,957	14,640	8,083	9,745	0	1064
DEPREC & AMORT EXP	DEPAMX	1,556,079	503,395	169,283	176,708	70,190	87,213	0	1064
MARKETING EXPENSE	MRKTX	64,675	18,389	7,616	4,857	2,682	3,233	0	1064
SERVICES EXPENSE	SERVX	705,892	310,801	94,554	63,347	33,025	9,769	110,106	1064
- CABSX EXPENSE	CABSX	64,785	32,393	0	14,606	8,064	9,723	0	1064
EXEC & PLANNING EXP	EXEPLX	160,001	56,218	24,687	12,035	6,279	5,298	7,919	1064
GENERAL & ADMIN EXP	GENADX	456,428	177,298	77,857	37,957	19,801	16,710	24,974	1064
OTHER TAXES (EXCL FIT & ITC)	OTAXES	445,880	134,078	55,534	35,416	19,553	23,575	0	1064
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1064
NON-OPERATING INC & EXP	NONOPX	1,733	656	272	173	96	115	0	1064
INTEREST & RELATED ITEMS(IRI)	INTREL	1,305	387	160	102	56	68	0	1064

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	1,742,823	435,750	242,790	56,979	26,636	109,345	0	1065
RTB STOCK	RTBSTK	644,215	204,916	114,174	26,795	12,526	51,421	0	1065
- GENERAL SUPPORT FACILITIES	GSF	8,881,238	2,824,997	1,574,023	369,399	172,681	708,893	0	1065
- CENTRAL OFFICE EQUIPMENT	COE	20,373,527	9,071,866	1,447,010	2,431,019	1,040,781	4,153,056	0	1065
-- COE CAT 1	COE1	168,388	0	0	0	0	0	0	1065
-- COE CAT 2	COE2	688,087	289,639	0	0	289,639	0	0	1065
-- COE CAT 3	COE3	5,984,931	2,431,019	0	2,431,019	0	0	0	1065
-- COE CAT 4.11	COE411	763,076	744,062	0	0	0	744,062	0	1065
-- COE CAT 4.12	COE412	517,744	0	0	0	0	0	0	1065
-- COE CAT 4.13	COE413	5,980,502	1,470,759	1,447,010	0	0	23,749	0	1065
-- COE CAT 4.2	COE42	4,759,684	3,818,476	0	0	433,232	3,385,244	0	1065
-- COE CAT 4.3	COE43	1,511,115	317,910	0	0	317,910	0	0	1065
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1065
- CABLE & WIRE FACILITIES	CWF	38,073,985	9,519,466	8,911,651	0	95,636	512,179	0	1065
-- C&WF CAT 1.1	CWF11	1,039,044	0	0	0	0	0	0	1065
-- C&WF CAT 1.2	CWF12	146,264	146,264	0	0	0	146,264	0	1065
-- C&WF CAT 1.3	CWF13	35,646,605	8,911,651	8,911,651	0	0	0	0	1065
-- C&WF CAT 2	CWF2	394,573	154,389	0	0	0	154,389	0	1065
-- C&WF CAT 3	CWF3	551,818	244,956	0	0	33,430	211,525	0	1065
-- C&WF CAT 4	CWF4	295,681	62,206	0	0	62,206	0	0	1065
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1065
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1065
TELCOM PLANT-OTHER	PLTOTH	1,438,720	457,637	254,985	59,841	27,974	114,837	0	1065
ACCUM DEPRECIATION	ACCDEP	32,739,884	9,844,103	5,999,266	1,706,331	501,280	1,637,226	0	1065
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1065
NET DEFERRED FIT	NTDFIT	3,018,611	1,313,563	242,010	336,048	146,568	588,937	0	1065
NETWORK SUPPORT EXP	NETSPX	1,280,691	407,370	226,977	53,268	24,901	102,224	0	1065
GENERAL SUPPORT EXP	GSFX	508,419	161,721	90,107	21,147	9,885	40,582	0	1065
COE EXPENSE	COEX	624,698	275,135	12,672	196,144	29,947	36,371	0	1065
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1065
C&WF EXPENSE	CWFX	882,479	220,642	206,554	0	2,217	11,871	0	1065
OTHER PROP & PL EXP	OTHPX	433,858	138,004	76,893	18,046	8,436	34,630	0	1065
NETWORK OPERATIONS EXP	NETOPX	658,631	209,501	116,729	27,395	12,806	52,571	0	1065
DEPREC & AMORT EXP	DEPAMX	4,176,296	1,337,430	676,286	309,144	85,274	266,726	0	1065
MARKETING EXPENSE	MRKTX	1,035,637	230,273	128,303	30,111	14,076	57,784	0	1065
SERVICES EXPENSE	SERVX	1,851,199	421,228	147,292	56,896	21,934	34,123	160,983	1065
- CABSX EXPENSE	CABSX	119,748	59,875	0	17,680	8,265	33,929	0	1065
EXEC & PLANNING EXP	EXEPLX	1,710,187	459,628	238,898	84,051	25,904	77,200	33,575	1065
GENERAL & ADMIN EXP	GENADX	2,014,924	562,857	292,553	102,929	31,722	94,539	41,116	1065
OTHER TAXES (EXCL FIT & ITC)	OTAXES	652,707	235,589	130,797	19,653	15,054	70,085	0	1065
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1065
NON-OPERATING INC & EXP	NONOPX	53,607	14,735	8,210	1,927	901	3,697	0	1065
INTEREST & RELATED ITEMS(IRI)	INTREL	1,023,384	332,240	185,116	43,444	20,309	83,371	0	1065

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	462,095	120,799	68,759	26,577	7,582	17,800	81	1066
RTB STOCK	RTBSTK	155,143	46,676	26,568	10,269	2,930	6,878	31	1066
- GENERAL SUPPORT FACILITIES	GSF	6,870,219	2,065,573	1,169,697	452,125	128,982	302,806	11,962	1066
- CENTRAL OFFICE EQUIPMENT	COE	17,751,617	6,701,066	1,503,833	3,475,807	502,688	1,218,738	0	1066
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1066
-- COE CAT 2	COE2	93,449	31,363	0	0	31,363	0	0	1066
-- COE CAT 3	COE3	7,914,311	3,475,807	0	3,475,807	0	0	0	1066
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1066
-- COE CAT 4.12	COE412	38,628	0	0	0	0	0	0	1066
-- COE CAT 4.13	COE413	6,495,497	1,855,210	1,503,833	0	0	351,377	0	1066
-- COE CAT 4.2	COE42	2,252,139	1,068,370	0	0	201,010	867,361	0	1066
-- COE CAT 4.3	COE43	957,593	270,316	0	0	270,316	0	0	1066
- INFORMATION ORIG/TERM	IOT	1,125	281	281	0	0	0	0	1066
- CABLE & WIRE FACILITIES	CWF	34,757,609	9,086,209	7,488,175	0	488,890	1,109,143	0	1066
-- C&WF CAT 1.1	CWF11	641,284	0	0	0	0	0	0	1066
-- C&WF CAT 1.2	CWF12	201,312	201,312	0	0	0	201,312	0	1066
-- C&WF CAT 1.3	CWF13	29,952,702	7,488,175	7,488,175	0	0	0	0	1066
-- C&WF CAT 2	CWF2	75,979	0	0	0	0	0	0	1066
-- C&WF CAT 3	CWF3	3,243,466	1,215,249	0	0	307,418	907,831	0	1066
-- C&WF CAT 4	CWF4	642,866	181,473	0	0	181,473	0	0	1066
- TANGIBLES	TANGIB	75,281	34,731	0	0	8,786	25,945	0	1066
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1066
TELCOM PLANT-OTHER	PLTOTH	2,891,359	869,311	494,181	191,017	54,921	129,193	0	1066
ACCUM DEPRECIATION	ACCDEP	33,567,895	10,597,862	5,084,949	3,787,450	528,384	1,188,683	8,397	1066
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1066
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1066
NETWORK SUPPORT EXP	NETSPX	9,113	2,740	1,560	603	172	404	2	1066
GENERAL SUPPORT EXP	GSFX	532,739	160,171	90,702	35,059	10,002	23,481	928	1066
COE EXPENSE	COEX	923,234	348,512	74,379	188,839	25,016	60,278	0	1066
IOT EXPENSE	IOTX	6,555	1,637	1,637	0	0	0	0	1066
C&WF EXPENSE	CWFX	770,745	201,485	166,049	0	10,841	24,595	0	1066
OTHER PROP & PL EXP	OTHPX	17,202	5,175	2,948	1,139	325	763	0	1066
NETWORK OPERATIONS EXP	NETOPX	1,232,280	370,492	211,025	81,568	23,270	54,629	0	1066
DEPREC & AMORT EXP	DEPAMX	3,456,790	1,130,836	483,360	403,326	71,655	171,607	888	1066
MARKETING EXPENSE	MRKTX	233,574	55,229	31,436	12,151	3,466	8,138	37	1066
SERVICES EXPENSE	SERVX	930,369	271,522	66,866	90,049	13,155	19,500	81,952	1066
- CABSX EXPENSE	CABSX	93,883	46,942	0	24,011	6,850	16,081	0	1066
EXEC & PLANNING EXP	EXEPLX	486,595	148,336	74,251	39,373	8,294	18,444	7,974	1066
GENERAL & ADMIN EXP	GENADX	1,254,361	430,845	215,663	114,359	24,091	53,571	23,161	1066
OTHER TAXES (EXCL FIT & ITC)	OTAXES	61,734	18,561	10,572	4,086	1,166	2,737	0	1066
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1066
NON-OPERATING INC & EXP	NONOPX	5,639	1,876	1,068	413	118	276	1	1066
INTEREST & RELATED ITEMS(IRI)	INTREL	523,157	148,198	84,354	32,606	9,302	21,837	99	1066

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	538,694	137,428	96,409	24,556	9,443	7,020	0	1067
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1067
- GENERAL SUPPORT FACILITIES	GSF	8,868,435	2,404,850	1,687,063	429,706	165,236	122,844	0	1067
- CENTRAL OFFICE EQUIPMENT	COE	18,574,177	5,497,215	2,251,814	2,289,542	606,822	349,037	0	1067
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1067
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1067
-- COE CAT 3	COE3	6,184,157	2,289,542	0	2,289,542	0	0	0	1067
-- COE CAT 4.11	COE411	219,103	0	0	0	0	0	0	1067
-- COE CAT 4.12	COE412	299,192	0	0	0	0	0	0	1067
-- COE CAT 4.13	COE413	9,157,273	2,320,417	2,251,814	0	0	68,603	0	1067
-- COE CAT 4.2	COE42	1,443,898	558,027	0	0	277,593	280,434	0	1067
-- COE CAT 4.3	COE43	1,270,554	329,228	0	0	329,228	0	0	1067
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1067
- CABLE & WIRE FACILITIES	CWF	28,678,241	7,316,203	6,737,125	0	273,583	305,496	0	1067
-- C&WF CAT 1.1	CWF11	243,581	0	0	0	0	0	0	1067
-- C&WF CAT 1.2	CWF12	205,251	205,251	0	0	0	205,251	0	1067
-- C&WF CAT 1.3	CWF13	26,948,498	6,737,125	6,737,125	0	0	0	0	1067
-- C&WF CAT 2	CWF2	179,034	0	0	0	0	0	0	1067
-- C&WF CAT 3	CWF3	763,037	286,027	0	0	185,782	100,244	0	1067
-- C&WF CAT 4	CWF4	338,839	87,801	0	0	87,801	0	0	1067
- TANGIBLES	TANGIB	91,820	41,211	0	0	26,768	14,443	0	1067
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1067
TELCOM PLANT-OTHER	PLTOTH	2,163,458	587,292	410,887	104,656	41,274	30,475	0	1067
ACCUM DEPRECIATION	ACCDEP	28,539,076	8,015,131	4,933,831	2,228,286	489,254	363,760	0	1067
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1067
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1067
NETWORK SUPPORT EXP	NETSPX	27,500	7,457	5,231	1,332	512	381	0	1067
GENERAL SUPPORT EXP	GSFX	475,446	128,926	90,445	23,037	8,858	6,586	0	1067
COE EXPENSE	COEX	616,819	182,554	29,434	140,625	7,932	4,562	0	1067
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1067
C&WF EXPENSE	CWFX	880,051	224,513	206,743	0	8,395	9,375	0	1067
OTHER PROP & PL EXP	OTHPXX	0	0	0	0	0	0	0	1067
NETWORK OPERATIONS EXP	NETOPX	558,245	151,379	106,196	27,049	10,401	7,733	0	1067
DEPREC & AMORT EXP	DEPAMX	3,987,597	1,154,497	609,418	368,722	107,493	68,864	0	1067
MARKETING EXPENSE	MRKTX	150,203	43,241	30,335	7,726	2,971	2,209	0	1067
SERVICES EXPENSE	SERVX	843,895	346,571	66,640	77,349	29,613	69,725	103,245	1067
- CABSX EXPENSE	CABSX	178,266	89,134	0	53,360	20,519	15,255	0	1067
EXEC & PLANNING EXP	EXEPLX	749,589	233,111	123,074	55,481	13,751	20,135	20,670	1067
GENERAL & ADMIN EXP	GENADX	1,163,275	391,071	206,472	93,075	23,069	33,778	34,677	1067
OTHER TAXES (EXCL FIT & ITC)	OTAXES	141,398	41,420	29,057	7,401	2,846	2,116	0	1067
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1067
NON-OPERATING INC & EXP	NONOPX	19,718	6,434	4,514	1,150	442	329	0	1067
INTEREST & RELATED ITEMS(IRI)	INTREL	1,696,792	445,153	312,286	79,541	30,586	22,739	0	1067

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	29,432	8,106	3,519	2,277	2,006	304	0	1068
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1068
- GENERAL SUPPORT FACILITIES	GSF	807,127	276,669	120,098	77,726	68,463	10,383	0	1068
- CENTRAL OFFICE EQUIPMENT	COE	2,832,319	1,425,130	220,544	922,071	163,628	118,887	0	1068
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1068
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1068
-- COE CAT 3	COE3	1,355,355	922,071	0	922,071	0	0	0	1068
-- COE CAT 4.11	COE411	116,788	116,788	0	0	0	116,788	0	1068
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1068
-- COE CAT 4.13	COE413	900,059	220,544	220,544	0	0	0	0	1068
-- COE CAT 4.2	COE42	137,597	51,623	0	0	49,524	2,099	0	1068
-- COE CAT 4.3	COE43	322,520	114,104	0	0	114,104	0	0	1068
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1068
- CABLE & WIRE FACILITIES	CWF	6,742,760	1,857,043	1,204,202	0	648,554	4,287	0	1068
-- C&WF CAT 1.1	CWF11	97,638	0	0	0	0	0	0	1068
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1068
-- C&WF CAT 1.3	CWF13	4,816,806	1,204,202	1,204,202	0	0	0	0	1068
-- C&WF CAT 2	CWF2	10,003	4,287	0	0	0	4,287	0	1068
-- C&WF CAT 3	CWF3	270,632	101,000	0	0	101,000	0	0	1068
-- C&WF CAT 4	CWF4	1,547,681	547,554	0	0	547,554	0	0	1068
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1068
- INTANGIBLES	INTANG	51,790	17,753	7,706	4,987	4,393	666	0	1068
TELCOM PLANT-OTHER	PLTOTH	18,276	6,265	2,719	1,760	1,550	235	0	1068
ACCUM DEPRECIATION	ACCDEP	6,085,924	1,992,840	946,711	426,287	539,214	80,628	0	1068
ACCUM AMORTIZATION	ACCAMO	6,500	2,228	967	626	551	84	0	1068
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1068
NETWORK SUPPORT EXP	NETSPX	43	15	6	4	4	1	0	1068
GENERAL SUPPORT EXP	GSFX	21,377	7,328	3,181	2,059	1,813	275	0	1068
COE EXPENSE	COEX	224,879	113,152	10,027	90,280	7,439	5,405	0	1068
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1068
C&WF EXPENSE	CWFX	73,353	20,202	13,100	0	7,055	47	0	1068
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1068
NETWORK OPERATIONS EXP	NETOPX	114,377	39,206	17,019	11,014	9,702	1,471	0	1068
DEPREC & AMORT EXP	DEPAMX	629,196	230,644	87,022	85,929	49,762	7,931	0	1068
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1068
SERVICES EXPENSE	SERVX	116,736	53,751	17,702	7,013	6,112	927	21,997	1068
- CABSX EXPENSE	CABSX	27,834	13,917	0	6,909	6,085	923	0	1068
EXEC & PLANNING EXP	EXEPLX	100,769	43,082	11,254	20,350	5,923	1,498	4,056	1068
GENERAL & ADMIN EXP	GENADX	357,504	175,738	45,907	83,013	24,162	6,112	16,544	1068
OTHER TAXES (EXCL FIT & ITC)	OTAXES	48,241	16,741	7,267	4,703	4,143	628	0	1068
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1068
NON-OPERATING INC & EXP	NONOPX	8,000	3,820	1,658	1,073	945	143	0	1068
INTEREST & RELATED ITEMS(IRI)	INTREL	8,615	3,137	1,362	881	776	118	0	1068

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	9,552	2,522	1,231	817	215	259	0	1069
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1069
- GENERAL SUPPORT FACILITIES	GSF	1,139,803	417,889	204,016	135,365	35,625	42,883	0	1069
- CENTRAL OFFICE EQUIPMENT	COE	2,260,471	1,206,482	224,602	705,481	95,920	180,479	0	1069
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1069
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1069
-- COE CAT 3	COE3	959,984	705,481	0	705,481	0	0	0	1069
-- COE CAT 4.11	COE411	148,186	148,186	0	0	0	148,186	0	1069
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1069
-- COE CAT 4.13	COE413	929,702	229,159	224,602	0	0	4,557	0	1069
-- COE CAT 4.2	COE42	222,599	123,656	0	0	95,920	27,736	0	1069
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1069
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1069
- CABLE & WIRE FACILITIES	CWF	3,679,821	971,423	838,662	0	89,748	43,012	0	1069
-- C&WF CAT 1.1	CWF11	99,834	0	0	0	0	0	0	1069
-- C&WF CAT 1.2	CWF12	17,017	17,017	0	0	0	17,017	0	1069
-- C&WF CAT 1.3	CWF13	3,354,650	838,662	838,662	0	0	0	0	1069
-- C&WF CAT 2	CWF2	15,348	15,348	0	0	0	15,348	0	1069
-- C&WF CAT 3	CWF3	192,972	100,395	0	0	89,748	10,647	0	1069
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1069
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1069
- INTANGIBLES	INTANG	316	116	57	38	10	12	0	1069
TELCOM PLANT-OTHER	PLTOTH	11,041	4,048	1,976	1,311	345	415	0	1069
ACCUM DEPRECIATION	ACCDEP	4,173,815	1,384,852	816,680	310,731	125,648	131,794	0	1069
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1069
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1069
NETWORK SUPPORT EXP	NETSPX	4,472	1,640	800	531	140	168	0	1069
GENERAL SUPPORT EXP	GSFX	17,439	6,394	3,121	2,071	545	656	0	1069
COE EXPENSE	COEX	617,824	329,751	36,957	247,314	15,783	29,697	0	1069
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1069
C&WF EXPENSE	CWFX	235,589	62,192	53,693	0	5,746	2,754	0	1069
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1069
NETWORK OPERATIONS EXP	NETOPX	32,569	11,941	5,830	3,868	1,018	1,225	0	1069
DEPREC & AMORT EXP	DEPAMX	384,721	156,099	61,614	67,263	11,807	15,414	0	1069
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1069
SERVICES EXPENSE	SERVX	111,963	42,961	2,316	15,013	3,735	4,496	17,401	1069
- CABSX EXPENSE	CABSX	40,717	20,359	0	12,885	3,391	4,082	0	1069
EXEC & PLANNING EXP	EXEPLX	71,338	31,943	8,450	17,932	1,799	2,602	1,161	1069
GENERAL & ADMIN EXP	GENADX	290,297	161,949	42,840	90,913	9,121	13,190	5,885	1069
OTHER TAXES (EXCL FIT & ITC)	OTAXES	32,252	12,155	5,934	3,937	1,036	1,247	0	1069
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1069
NON-OPERATING INC & EXP	NONOPX	85,635	45,913	22,415	14,873	3,914	4,712	0	1069
INTEREST & RELATED ITEMS(IRI)	INTREL	14,752	6,144	2,999	1,990	524	630	0	1069

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	19,634	5,632	1,437	1,930	1,657	607	0	1070
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1070
- GENERAL SUPPORT FACILITIES	GSF	1,293,375	508,449	129,767	174,216	149,625	54,841	0	1070
- CENTRAL OFFICE EQUIPMENT	COE	1,300,921	795,435	9,461	535,168	96,565	154,241	0	1070
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1070
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1070
-- COE CAT 3	COE3	808,273	535,168	0	535,168	0	0	0	1070
-- COE CAT 4.11	COE411	150,559	150,559	0	0	0	150,559	0	1070
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1070
-- COE CAT 4.13	COE413	38,199	9,619	9,461	0	0	159	0	1070
-- COE CAT 4.2	COE42	164,263	51,680	0	0	48,157	3,524	0	1070
-- COE CAT 4.3	COE43	139,627	48,408	0	0	48,408	0	0	1070
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1070
- CABLE & WIRE FACILITIES	CWF	2,672,155	766,454	389,165	0	363,064	14,224	0	1070
-- C&WF CAT 1.1	CWF11	8,159	0	0	0	0	0	0	1070
-- C&WF CAT 1.2	CWF12	6,527	6,527	0	0	0	6,527	0	1070
-- C&WF CAT 1.3	CWF13	1,556,661	389,165	389,165	0	0	0	0	1070
-- C&WF CAT 2	CWF2	43,943	0	0	0	0	0	0	1070
-- C&WF CAT 3	CWF3	315,594	113,765	0	0	106,068	7,697	0	1070
-- C&WF CAT 4	CWF4	741,272	256,996	0	0	256,996	0	0	1070
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1070
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1070
TELCOM PLANT-OTHER	PLTOTH	146,919	57,757	14,741	19,790	16,996	6,230	0	1070
ACCUM DEPRECIATION	ACCDEP	2,678,792	1,024,123	281,035	323,137	315,742	104,209	0	1070
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1070
NET DEFERRED FIT	NTDFIT	381,837	150,107	38,310	51,433	44,173	16,191	0	1070
NETWORK SUPPORT EXP	NETSPX	5,059	1,989	508	681	585	215	0	1070
GENERAL SUPPORT EXP	GSFX	80,501	31,646	8,077	10,843	9,313	3,413	0	1070
COE EXPENSE	COEX	531,984	325,276	4,138	211,430	42,240	67,469	0	1070
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1070
C&WF EXPENSE	CWFX	266,000	76,297	38,739	0	36,141	1,416	0	1070
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1070
NETWORK OPERATIONS EXP	NETOPX	180,851	71,096	18,145	24,360	20,922	7,668	0	1070
DEPREC & AMORT EXP	DEPAMX	314,719	132,114	28,099	54,333	34,363	15,319	0	1070
MARKETING EXPENSE	MRKTX	48,336	6,627	1,691	2,271	1,950	715	0	1070
SERVICES EXPENSE	SERVX	170,209	46,221	1,779	6,129	4,907	1,799	31,607	1070
- CABSX EXPENSE	CABSX	24,769	12,385	0	5,698	4,893	1,794	0	1070
EXEC & PLANNING EXP	EXEPLX	397,530	174,471	22,802	79,790	36,213	25,803	9,862	1070
GENERAL & ADMIN EXP	GENADX	564,181	278,196	36,358	127,227	57,743	41,143	15,726	1070
OTHER TAXES (EXCL FIT & ITC)	OTAXES	62,982	24,692	6,044	8,825	7,078	2,745	0	1070
INVESTMENT TAX CREDITS (ITC)	ITC	5,536	2,176	555	746	640	235	0	1070
NON-OPERATING INC & EXP	NONOPX	10,211	4,806	1,227	1,647	1,414	518	0	1070
INTEREST & RELATED ITEMS(IRI)	INTREL	18,484	7,476	1,908	2,562	2,200	806	0	1070

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	15,487	4,338	1,406	2,271	344	316	0	1071
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1071
- GENERAL SUPPORT FACILITIES	GSF	908,292	414,788	134,445	217,152	32,930	30,261	0	1071
- CENTRAL OFFICE EQUIPMENT	COE	1,687,051	1,059,900	104,990	816,330	72,888	65,692	0	1071
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1071
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1071
-- COE CAT 3	COE3	960,389	756,771	0	756,771	0	0	0	1071
-- COE CAT 4.11	COE411	53,049	53,049	0	0	0	53,049	0	1071
-- COE CAT 4.12	COE412	11,121	0	0	0	0	0	0	1071
-- COE CAT 4.13	COE413	426,593	111,624	104,990	0	0	6,634	0	1071
-- COE CAT 4.2	COE42	163,432	78,897	0	0	72,888	6,009	0	1071
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1071
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1071
- CABLE & WIRE FACILITIES	CWF	1,976,575	553,601	437,300	0	59,935	56,366	0	1071
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1071
-- C&WF CAT 1.2	CWF12	27,634	27,634	0	0	0	27,634	0	1071
-- C&WF CAT 1.3	CWF13	1,749,201	437,300	437,300	0	0	0	0	1071
-- C&WF CAT 2	CWF2	46,255	0	0	0	0	0	0	1071
-- C&WF CAT 3	CWF3	153,485	88,667	0	0	59,935	28,732	0	1071
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1071
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1071
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1071
TELCOM PLANT-OTHER	PLTOTH	2,467	1,127	365	590	89	82	0	1071
ACCUM DEPRECIATION	ACCDEP	3,262,452	1,484,575	487,896	788,346	108,409	99,925	0	1071
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1071
NET DEFERRED FIT	NTDFIT	104,854	47,883	15,520	25,068	3,801	3,493	0	1071
NETWORK SUPPORT EXP	NETSPX	4,629	2,114	685	1,107	168	154	0	1071
GENERAL SUPPORT EXP	GSFX	24,661	11,262	3,650	5,896	894	822	0	1071
COE EXPENSE	COEX	96,686	64,157	1,606	60,432	1,115	1,005	0	1071
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1071
C&WF EXPENSE	CWFX	84,077	23,548	18,601	0	2,549	2,398	0	1071
OTHER PROP & PL EXP	OTHPX	1,690	772	250	404	61	56	0	1071
NETWORK OPERATIONS EXP	NETOPX	84,735	38,696	12,542	20,258	3,072	2,823	0	1071
DEPREC & AMORT EXP	DEPAMX	272,155	136,758	35,923	86,451	7,477	6,907	0	1071
MARKETING EXPENSE	MRKTX	217	65	21	34	5	5	0	1071
SERVICES EXPENSE	SERVX	111,114	32,933	7,362	13,123	1,727	1,173	9,547	1071
- CABSX EXPENSE	CABSX	19,872	9,936	0	7,696	1,167	1,073	0	1071
EXEC & PLANNING EXP	EXEPLX	82,415	34,861	8,983	20,340	1,927	1,694	1,918	1071
GENERAL & ADMIN EXP	GENADX	338,116	167,980	43,284	98,006	9,284	8,165	9,241	1071
OTHER TAXES (EXCL FIT & ITC)	OTAXES	16,638	7,643	2,460	3,973	631	579	0	1071
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1071
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1071
INTEREST & RELATED ITEMS(IRI)	INTREL	23,802	10,974	3,410	5,501	1,079	985	0	1071

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	24,744	6,342	2,883	2,650	245	564	0	1072
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1072
- GENERAL SUPPORT FACILITIES	GSF	516,549	205,307	93,329	85,808	7,920	18,251	0	1072
- CENTRAL OFFICE EQUIPMENT	COE	1,860,840	1,190,759	148,528	843,497	46,197	152,538	0	1072
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1072
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1072
-- COE CAT 3	COE3	992,349	823,751	0	823,751	0	0	0	1072
-- COE CAT 4.11	COE411	142,581	142,581	0	0	0	142,581	0	1072
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1072
-- COE CAT 4.13	COE413	614,865	153,716	148,528	0	0	5,189	0	1072
-- COE CAT 4.2	COE42	88,005	50,965	0	0	46,197	4,768	0	1072
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1072
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1072
- CABLE & WIRE FACILITIES	CWF	3,335,737	854,923	790,379	0	33,479	31,066	0	1072
-- C&WF CAT 1.1	CWF11	82,834	0	0	0	0	0	0	1072
-- C&WF CAT 1.2	CWF12	27,611	27,611	0	0	0	27,611	0	1072
-- C&WF CAT 1.3	CWF13	3,161,515	790,379	790,379	0	0	0	0	1072
-- C&WF CAT 2	CWF2	1,345	1,345	0	0	0	1,345	0	1072
-- C&WF CAT 3	CWF3	62,431	35,588	0	0	33,479	2,109	0	1072
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1072
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1072
- INTANGIBLES	INTANG	24,031	9,551	4,342	3,992	368	849	0	1072
TELCOM PLANT-OTHER	PLTOTH	125	50	23	21	2	4	0	1072
ACCUM DEPRECIATION	ACCDEP	2,870,367	1,075,872	539,477	410,763	40,296	85,335	0	1072
ACCUM AMORTIZATION	ACCAMO	2,124	844	384	353	33	75	0	1072
NET DEFERRED FIT	NTDFIT	322,117	128,028	58,199	53,509	4,939	11,381	0	1072
NETWORK SUPPORT EXP	NETSPX	1,069	425	193	178	16	38	0	1072
GENERAL SUPPORT EXP	GSFX	45,353	18,026	8,194	7,534	695	1,602	0	1072
COE EXPENSE	COEX	135,310	86,442	2,923	79,607	909	3,002	0	1072
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1072
C&WF EXPENSE	CWFX	158,829	40,707	37,633	0	1,594	1,479	0	1072
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1072
NETWORK OPERATIONS EXP	NETOPX	317,966	126,379	57,449	52,820	4,875	11,234	0	1072
DEPREC & AMORT EXP	DEPAMX	405,255	174,976	67,060	77,415	8,192	22,309	0	1072
MARKETING EXPENSE	MRKTX	36,515	21,851	9,933	9,132	843	1,942	0	1072
SERVICES EXPENSE	SERVX	144,968	86,718	24,049	16,693	1,411	3,252	41,313	1072
- CABSX EXPENSE	CABSX	39,847	19,924	0	15,267	1,409	3,247	0	1072
EXEC & PLANNING EXP	EXEPLX	241,007	110,446	40,573	48,425	2,990	6,518	11,941	1072
GENERAL & ADMIN EXP	GENADX	303,714	167,978	61,708	73,650	4,547	9,913	18,161	1072
OTHER TAXES (EXCL FIT & ITC)	OTAXES	80,349	32,076	13,985	13,827	1,260	3,004	0	1072
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1072
NON-OPERATING INC & EXP	NONOPX	10,550	5,392	2,451	2,254	208	479	0	1072
INTEREST & RELATED ITEMS(IRI)	INTREL	72,224	30,090	13,678	12,576	1,161	2,675	0	1072

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	59,940	16,875	6,944	5,274	2,675	1,982	0	1073
RTB STOCK	RTBSTK	57,000	21,304	8,767	6,658	3,377	2,502	0	1073
- GENERAL SUPPORT FACILITIES	GSF	2,532,494	946,542	389,498	295,833	150,040	111,171	0	1073
- CENTRAL OFFICE EQUIPMENT	COE	3,205,188	1,625,731	288,344	916,209	193,309	227,868	0	1073
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1073
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1073
-- COE CAT 3	COE3	1,290,421	916,209	0	916,209	0	0	0	1073
-- COE CAT 4.11	COE411	162,559	162,559	0	0	0	162,559	0	1073
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1073
-- COE CAT 4.13	COE413	1,223,841	302,252	288,344	0	0	13,907	0	1073
-- COE CAT 4.2	COE42	528,367	244,711	0	0	193,309	51,402	0	1073
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1073
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1073
- CABLE & WIRE FACILITIES	CWF	4,638,066	1,305,756	917,951	0	271,371	116,433	0	1073
-- C&WF CAT 1.1	CWF11	180,048	0	0	0	0	0	0	1073
-- C&WF CAT 1.2	CWF12	44,274	44,274	0	0	0	44,274	0	1073
-- C&WF CAT 1.3	CWF13	3,671,804	917,951	917,951	0	0	0	0	1073
-- C&WF CAT 2	CWF2	68,455	0	0	0	0	0	0	1073
-- C&WF CAT 3	CWF3	673,485	343,531	0	0	271,371	72,159	0	1073
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1073
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1073
- INTANGIBLES	INTANG	1,047	391	161	122	62	46	0	1073
TELCOM PLANT-OTHER	PLTOTH	274,406	102,562	42,204	32,055	16,257	12,046	0	1073
ACCUM DEPRECIATION	ACCDEP	4,977,824	1,789,098	799,526	485,752	296,303	207,517	0	1073
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1073
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1073
NETWORK SUPPORT EXP	NETSPX	17,843	6,669	2,744	2,084	1,057	783	0	1073
GENERAL SUPPORT EXP	GSFX	139,792	52,249	21,500	16,330	8,282	6,137	0	1073
COE EXPENSE	COEX	217,306	110,222	6,069	95,289	4,069	4,796	0	1073
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1073
C&WF EXPENSE	CWFX	74,210	20,892	14,687	0	4,342	1,863	0	1073
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1073
NETWORK OPERATIONS EXP	NETOPX	39,918	14,920	6,139	4,663	2,365	1,752	0	1073
DEPREC & AMORT EXP	DEPAMX	689,768	253,377	107,497	58,114	47,068	40,698	0	1073
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1073
SERVICES EXPENSE	SERVX	98,285	43,719	4,853	11,684	4,071	3,531	19,581	1073
- CABSX EXPENSE	CABSX	28,287	14,144	0	7,511	3,810	2,823	0	1073
EXEC & PLANNING EXP	EXEPLX	221,464	97,798	22,021	51,146	9,512	7,418	7,701	1073
GENERAL & ADMIN EXP	GENADX	321,282	176,087	39,649	92,090	17,126	13,356	13,866	1073
OTHER TAXES (EXCL FIT & ITC)	OTAXES	81,010	30,331	12,481	9,480	4,808	3,562	0	1073
INVESTMENT TAX CREDITS (ITC)	ITC	493	184	76	58	29	22	0	1073
NON-OPERATING INC & EXP	NONOPX	25,992	13,119	5,398	4,100	2,079	1,541	0	1073
INTEREST & RELATED ITEMS(IRI)	INTREL	64,825	24,967	10,274	7,803	3,958	2,932	0	1073

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	594,470	184,906	70,181	41,812	18,854	54,060	0	1074
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1074
- GENERAL SUPPORT FACILITIES	GSF	11,309,005	4,732,383	1,796,161	1,070,100	482,545	1,383,578	0	1074
- CENTRAL OFFICE EQUIPMENT	COE	16,102,093	9,992,708	1,196,332	4,386,282	1,067,323	3,342,771	0	1074
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1074
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1074
-- COE CAT 3	COE3	5,344,686	4,386,282	0	4,386,282	0	0	0	1074
-- COE CAT 4.11	COE411	2,834,029	2,834,029	0	0	0	2,834,029	0	1074
-- COE CAT 4.12	COE412	92,470	0	0	0	0	0	0	1074
-- COE CAT 4.13	COE413	4,982,830	1,237,175	1,196,332	0	0	40,843	0	1074
-- COE CAT 4.2	COE42	1,110,168	867,392	0	0	399,493	467,899	0	1074
-- COE CAT 4.3	COE43	1,737,910	667,830	0	0	667,830	0	0	1074
- INFORMATION ORIG/TERM	IOT	24,471	2,701	2,612	0	0	89	0	1074
- CABLE & WIRE FACILITIES	CWF	30,228,444	9,402,377	6,163,423	0	910,602	2,328,352	0	1074
-- C&WF CAT 1.1	CWF11	807,089	0	0	0	0	0	0	1074
-- C&WF CAT 1.2	CWF12	210,420	210,420	0	0	0	210,420	0	1074
-- C&WF CAT 1.3	CWF13	24,653,692	6,163,423	6,163,423	0	0	0	0	1074
-- C&WF CAT 2	CWF2	61,029	0	0	0	0	0	0	1074
-- C&WF CAT 3	CWF3	2,300,470	2,184,771	0	0	66,839	2,117,932	0	1074
-- C&WF CAT 4	CWF4	2,195,744	843,763	0	0	843,763	0	0	1074
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1074
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1074
TELCOM PLANT-OTHER	PLTOTH	743,507	311,129	118,088	70,353	31,725	90,963	0	1074
ACCUM DEPRECIATION	ACCDEP	32,170,236	13,180,401	5,222,955	2,670,826	1,370,225	3,916,395	0	1074
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1074
NET DEFERRED FIT	NTDFIT	192,019	80,353	30,497	18,171	8,193	23,492	0	1074
NETWORK SUPPORT EXP	NETSPX	4,179	1,749	664	395	178	511	0	1074
GENERAL SUPPORT EXP	GSFX	545,748	228,375	86,679	51,641	23,287	66,768	0	1074
COE EXPENSE	COEX	633,377	393,064	29,042	243,167	39,707	81,148	0	1074
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1074
C&WF EXPENSE	CWFX	781,132	242,966	159,269	0	23,531	60,167	0	1074
OTHER PROP & PL EXP	OTHPX	1,071	448	170	101	46	131	0	1074
NETWORK OPERATIONS EXP	NETOPX	1,116,461	467,196	177,323	105,644	47,638	136,591	0	1074
DEPREC & AMORT EXP	DEPAMX	3,943,106	1,801,130	563,176	513,639	184,082	540,233	0	1074
MARKETING EXPENSE	MRKTX	169,368	46,441	17,627	10,501	4,735	13,578	0	1074
SERVICES EXPENSE	SERVX	815,106	347,683	48,219	94,579	42,649	92,153	70,084	1074
- CABSX EXPENSE	CABSX	388,790	194,395	0	70,847	31,947	91,601	0	1074
EXEC & PLANNING EXP	EXEPLX	366,591	156,144	51,609	43,756	15,717	39,002	6,060	1074
GENERAL & ADMIN EXP	GENADX	1,493,901	689,080	227,757	193,098	69,363	172,118	26,744	1074
OTHER TAXES (EXCL FIT & ITC)	OTAXES	6,643	3,920	1,488	886	400	1,146	0	1074
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1074
NON-OPERATING INC & EXP	NONOPX	92,876	42,194	16,014	9,541	4,302	12,336	0	1074
INTEREST & RELATED ITEMS(IRI)	INTREL	485,449	207,110	74,590	52,476	20,639	59,404	0	1074

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	72,871	24,277	8,875	6,476	2,395	6,532	0	1075
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1075
- GENERAL SUPPORT FACILITIES	GSF	5,688,880	2,401,223	877,813	640,491	236,849	646,071	0	1075
- CENTRAL OFFICE EQUIPMENT	COE	15,295,806	8,926,196	798,375	4,854,845	959,633	2,313,343	0	1075
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1075
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1075
-- COE CAT 3	COE3	8,036,253	4,832,740	0	4,832,740	0	0	0	1075
-- COE CAT 4.11	COE411	1,841,745	1,841,745	0	0	0	1,841,745	0	1075
-- COE CAT 4.12	COE412	49,364	0	0	0	0	0	0	1075
-- COE CAT 4.13	COE413	3,248,098	824,020	798,375	0	0	25,645	0	1075
-- COE CAT 4.2	COE42	1,573,049	1,120,779	0	0	674,826	445,953	0	1075
-- COE CAT 4.3	COE43	520,697	284,807	0	0	284,807	0	0	1075
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1075
- CABLE & WIRE FACILITIES	CWF	28,021,579	9,335,563	5,885,643	0	843,826	2,606,094	0	1075
-- C&WF CAT 1.1	CWF11	213,450	0	0	0	0	0	0	1075
-- C&WF CAT 1.2	CWF12	189,056	189,056	0	0	0	189,056	0	1075
-- C&WF CAT 1.3	CWF13	23,542,571	5,885,643	5,885,643	0	0	0	0	1075
-- C&WF CAT 2	CWF2	106,501	0	0	0	0	0	0	1075
-- C&WF CAT 3	CWF3	3,019,067	2,740,729	0	0	323,692	2,417,038	0	1075
-- C&WF CAT 4	CWF4	950,933	520,135	0	0	520,135	0	0	1075
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1075
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1075
TELCOM PLANT-OTHER	PLTOTH	1,720	726	265	194	72	195	0	1075
ACCUM DEPRECIATION	ACCDEP	31,090,264	12,585,647	5,162,096	2,636,087	1,270,893	3,516,571	0	1075
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1075
NET DEFERRED FIT	NTDFIT	754,296	318,437	116,347	85,050	31,397	85,643	0	1075
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1075
GENERAL SUPPORT EXP	GSFX	371,077	156,628	57,258	41,778	15,449	42,142	0	1075
COE EXPENSE	COEX	510,288	298,527	34,055	87,569	78,225	98,677	0	1075
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1075
C&WF EXPENSE	CWFX	1,067,933	355,789	224,308	0	32,159	99,321	0	1075
OTHER PROP & PL EXP	OTHPX	19	8	3	2	1	2	0	1075
NETWORK OPERATIONS EXP	NETOPX	355,708	150,141	54,887	40,048	14,809	40,397	0	1075
DEPREC & AMORT EXP	DEPAMX	3,808,928	1,790,465	476,173	640,663	187,140	486,489	0	1075
MARKETING EXPENSE	MRKTX	258,176	113,954	41,658	30,396	11,240	30,660	0	1075
SERVICES EXPENSE	SERVX	934,677	422,941	45,021	125,074	46,251	106,440	100,154	1075
- CABSX EXPENSE	CABSX	490,138	245,069	0	103,035	38,102	103,933	0	1075
EXEC & PLANNING EXP	EXEPLX	363,258	155,833	55,391	31,351	19,121	40,304	9,665	1075
GENERAL & ADMIN EXP	GENADX	1,126,573	575,935	204,716	115,870	70,668	148,959	35,722	1075
OTHER TAXES (EXCL FIT & ITC)	OTAXES	62,373	27,581	10,083	7,357	2,720	7,421	0	1075
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1075
NON-OPERATING INC & EXP	NONOPX	2,901	1,425	521	380	141	383	0	1075
INTEREST & RELATED ITEMS(IRI)	INTREL	86,018	38,956	11,469	13,952	3,697	9,838	0	1075

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	280,475	81,008	35,227	22,869	5,313	17,599	0	1076
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1076
- GENERAL SUPPORT FACILITIES	GSF	2,482,436	1,005,292	437,166	283,795	65,935	218,396	0	1076
- CENTRAL OFFICE EQUIPMENT	COE	6,281,530	4,310,453	371,243	2,457,139	283,765	1,198,306	0	1076
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1076
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1076
-- COE CAT 3	COE3	2,956,664	2,457,139	0	2,457,139	0	0	0	1076
-- COE CAT 4.11	COE411	1,091,988	1,087,469	0	0	0	1,087,469	0	1076
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1076
-- COE CAT 4.13	COE413	1,531,665	395,041	371,243	0	0	23,798	0	1076
-- COE CAT 4.2	COE42	701,213	370,803	0	0	283,765	87,039	0	1076
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1076
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1076
- CABLE & WIRE FACILITIES	CWF	15,211,728	4,393,500	3,413,798	0	287,109	692,593	0	1076
-- C&WF CAT 1.1	CWF11	210,527	0	0	0	0	0	0	1076
-- C&WF CAT 1.2	CWF12	218,838	218,838	0	0	0	218,838	0	1076
-- C&WF CAT 1.3	CWF13	13,655,191	3,413,798	3,413,798	0	0	0	0	1076
-- C&WF CAT 2	CWF2	429,365	387,814	0	0	0	387,814	0	1076
-- C&WF CAT 3	CWF3	697,807	373,050	0	0	287,109	85,941	0	1076
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1076
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1076
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1076
TELCOM PLANT-OTHER	PLTOTH	65,631	26,578	11,558	7,503	1,743	5,774	0	1076
ACCUM DEPRECIATION	ACCDEP	15,853,210	6,032,226	2,952,277	1,217,449	434,689	1,427,810	0	1076
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1076
NET DEFERRED FIT	NTDFIT	33,615	13,613	5,920	3,843	893	2,957	0	1076
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1076
GENERAL SUPPORT EXP	GSFX	407,204	164,902	71,710	46,552	10,816	35,824	0	1076
COE EXPENSE	COEX	614,095	421,399	33,825	252,537	25,855	109,181	0	1076
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1076
C&WF EXPENSE	CWFX	523,120	151,089	117,398	0	9,873	23,818	0	1076
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1076
NETWORK OPERATIONS EXP	NETOPX	237,581	96,211	41,839	27,161	6,310	20,902	0	1076
DEPREC & AMORT EXP	DEPAMX	511,213	291,496	55,070	189,269	10,388	36,769	0	1076
MARKETING EXPENSE	MRKTX	44,993	12,527	5,448	3,536	822	2,721	0	1076
SERVICES EXPENSE	SERVX	517,392	153,132	26,678	72,775	14,155	39,525	0	1076
- CABSX EXPENSE	CABSX	203,939	101,970	0	50,937	11,834	39,199	0	1076
EXEC & PLANNING EXP	EXEPLX	100,966	44,137	16,591	15,788	2,660	9,098	0	1076
GENERAL & ADMIN EXP	GENADX	636,848	278,398	104,648	99,585	16,780	57,385	0	1076
OTHER TAXES (EXCL FIT & ITC)	OTAXES	161,207	72,446	28,651	24,661	4,413	14,721	0	1076
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1076
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1076
INTEREST & RELATED ITEMS(IRI)	INTREL	234,720	106,213	37,066	43,441	5,884	19,822	0	1076

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	422,864	90,667	25,728	60,347	3,622	971	0	1077
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1077
- GENERAL SUPPORT FACILITIES	GSF	14,514,513	5,016,033	1,423,348	3,338,627	200,358	53,700	0	1077
- CENTRAL OFFICE EQUIPMENT	COE	18,524,453	8,161,531	635,149	7,346,720	150,728	28,934	0	1077
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1077
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1077
-- COE CAT 3	COE3	12,715,956	7,346,720	0	7,346,720	0	0	0	1077
-- COE CAT 4.1.1	COE411	0	0	0	0	0	0	0	1077
-- COE CAT 4.1.2	COE412	1,697,471	0	0	0	0	0	0	1077
-- COE CAT 4.1.3	COE413	2,588,554	654,109	635,149	0	0	18,960	0	1077
-- COE CAT 4.2	COE42	1,230,523	93,551	0	0	83,576	9,975	0	1077
-- COE CAT 4.3	COE43	291,949	67,152	0	0	67,152	0	0	1077
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1077
- CABLE & WIRE FACILITIES	CWF	13,415,047	2,876,357	2,496,958	0	290,165	89,234	0	1077
-- C&WF CAT 1.1	CWF11	113,996	0	0	0	0	0	0	1077
-- C&WF CAT 1.2	CWF12	74,536	74,536	0	0	0	74,536	0	1077
-- C&WF CAT 1.3	CWF13	9,987,833	2,496,958	2,496,958	0	0	0	0	1077
-- C&WF CAT 2	CWF2	289,163	0	0	0	0	0	0	1077
-- C&WF CAT 3	CWF3	2,052,362	98,506	0	0	83,808	14,698	0	1077
-- C&WF CAT 4	CWF4	897,157	206,357	0	0	206,357	0	0	1077
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1077
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1077
TELCOM PLANT-OTHER	PLTOTH	1,448,810	500,690	142,076	333,255	19,999	5,360	0	1077
ACCUM DEPRECIATION	ACCDEP	24,177,524	8,450,830	2,297,318	5,738,412	328,048	87,052	0	1077
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1077
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1077
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1077
GENERAL SUPPORT EXP	GSFX	890,900	307,884	87,365	204,925	12,298	3,296	0	1077
COE EXPENSE	COEX	417,256	183,835	47,542	122,845	11,282	2,166	0	1077
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1077
C&WF EXPENSE	CWFX	456,594	97,900	84,986	0	9,876	3,037	0	1077
OTHER PROP & PL EXP	OTHPX	42,095	14,548	4,128	9,683	581	156	0	1077
NETWORK OPERATIONS EXP	NETOPX	597,986	206,656	58,641	137,549	8,255	2,212	0	1077
DEPREC & AMORT EXP	DEPAMX	2,818,574	1,062,487	222,845	797,414	33,637	8,591	0	1077
MARKETING EXPENSE	MRKTX	3,861	1,024	291	682	41	11	0	1077
SERVICES EXPENSE	SERVX	863,539	436,531	132,379	218,308	12,569	29,626	43,649	1077
- CABSX EXPENSE	CABSX	59,563	29,782	0	27,675	1,661	445	0	1077
EXEC & PLANNING EXP	EXEPLX	345,437	136,735	48,435	73,561	5,819	4,293	4,627	1077
GENERAL & ADMIN EXP	GENADX	1,320,255	559,672	198,250	301,093	23,820	17,573	18,937	1077
OTHER TAXES (EXCL FIT & ITC)	OTAXES	208,744	72,139	20,470	48,015	2,881	772	0	1077
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1077
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1077
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1077

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	133,766	37,811	17,142	12,902	2,140	5,626	0	1078
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1078
- GENERAL SUPPORT FACILITIES	GSF	1,324,118	499,245	226,341	170,361	28,254	74,289	0	1078
- CENTRAL OFFICE EQUIPMENT	COE	2,133,328	1,226,562	154,348	850,065	77,348	144,801	0	1078
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1078
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1078
-- COE CAT 3	COE3	1,101,733	850,065	0	850,065	0	0	0	1078
-- COE CAT 4.11	COE411	106,300	106,300	0	0	0	106,300	0	1078
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1078
-- COE CAT 4.13	COE413	640,562	164,065	154,348	0	0	9,717	0	1078
-- COE CAT 4.2	COE42	259,614	97,859	0	0	69,075	28,784	0	1078
-- COE CAT 4.3	COE43	25,119	8,273	0	0	8,273	0	0	1078
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1078
- CABLE & WIRE FACILITIES	CWF	4,473,733	1,264,560	975,043	0	63,631	225,886	0	1078
-- C&WF CAT 1.1	CWF11	84,992	0	0	0	0	0	0	1078
-- C&WF CAT 1.2	CWF12	61,383	61,383	0	0	0	61,383	0	1078
-- C&WF CAT 1.3	CWF13	3,900,172	975,043	975,043	0	0	0	0	1078
-- C&WF CAT 2	CWF2	9,085	2,271	0	0	0	2,271	0	1078
-- C&WF CAT 3	CWF3	333,579	198,024	0	0	35,792	162,232	0	1078
-- C&WF CAT 4	CWF4	84,522	27,839	0	0	27,839	0	0	1078
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1078
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1078
TELCOM PLANT-OTHER	PLTOTH	76,437	28,820	13,066	9,834	1,631	4,288	0	1078
ACCUM DEPRECIATION	ACCDEP	3,594,323	1,499,381	546,029	673,152	80,684	199,516	0	1078
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1078
NET DEFERRED FIT	NTDFIT	51,748	19,511	8,846	6,658	1,104	2,903	0	1078
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1078
GENERAL SUPPORT EXP	GSFX	77,352	29,165	13,222	9,952	1,651	4,340	0	1078
COE EXPENSE	COEX	204,445	117,546	27,259	51,053	13,660	25,573	0	1078
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1078
C&WF EXPENSE	CWFX	152,475	43,099	33,232	0	2,169	7,699	0	1078
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1078
NETWORK OPERATIONS EXP	NETOPX	39,148	14,760	6,692	5,037	835	2,196	0	1078
DEPREC & AMORT EXP	DEPAMX	542,404	225,890	82,550	100,922	12,220	30,198	0	1078
MARKETING EXPENSE	MRKTX	23,401	6,129	2,778	2,091	347	912	0	1078
SERVICES EXPENSE	SERVX	116,756	26,972	757	6,760	1,117	2,937	15,401	1078
- CABSX EXPENSE	CABSX	21,464	10,732	0	6,699	1,111	2,921	0	1078
EXEC & PLANNING EXP	EXEPLX	117,192	45,682	16,134	14,395	3,802	8,391	2,960	1078
GENERAL & ADMIN EXP	GENADX	303,596	148,593	52,480	46,824	12,366	27,295	9,628	1078
OTHER TAXES (EXCL FIT & ITC)	OTAXES	223	223	101	76	13	33	0	1078
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1078
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1078
INTEREST & RELATED ITEMS(IRI)	INTREL	154,343	52,810	23,942	18,021	2,989	7,858	0	1078

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	198,932	54,250	25,329	10,921	15,854	2,100	47	1079
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1079
- GENERAL SUPPORT FACILITIES	GSF	7,099,090	2,248,579	1,040,776	448,737	651,418	86,277	21,371	1079
- CENTRAL OFFICE EQUIPMENT	COE	27,382,229	10,598,503	1,428,441	4,537,917	4,380,937	251,208	0	1079
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1079
-- COE CAT 2	COE2	1,485,014	649,174	0	0	649,174	0	0	1079
-- COE CAT 3	COE3	9,053,201	4,537,917	0	4,537,917	0	0	0	1079
-- COE CAT 4.11	COE411	1,137,419	0	0	0	0	0	0	1079
-- COE CAT 4.12	COE412	1,183,999	0	0	0	0	0	0	1079
-- COE CAT 4.13	COE413	5,952,917	1,487,814	1,428,441	0	0	59,373	0	1079
-- COE CAT 4.2	COE42	7,427,906	3,504,631	0	0	3,312,796	191,835	0	1079
-- COE CAT 4.3	COE43	1,141,773	418,967	0	0	418,967	0	0	1079
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1079
- CABLE & WIRE FACILITIES	CWF	43,726,038	11,924,462	9,096,555	0	2,206,622	621,285	0	1079
-- C&WF CAT 1.1	CWF11	1,144,878	0	0	0	0	0	0	1079
-- C&WF CAT 1.2	CWF12	378,100	378,100	0	0	0	378,100	0	1079
-- C&WF CAT 1.3	CWF13	36,386,220	9,096,555	9,096,555	0	0	0	0	1079
-- C&WF CAT 2	CWF2	464,915	0	0	0	0	0	0	1079
-- C&WF CAT 3	CWF3	4,524,702	2,146,262	0	0	1,903,077	243,184	0	1079
-- C&WF CAT 4	CWF4	827,223	303,545	0	0	303,545	0	0	1079
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1079
- INTANGIBLES	INTANG	326,953	103,560	48,352	20,847	30,263	4,008	89	1079
TELCOM PLANT-OTHER	PLTOTH	4,841,379	1,532,144	715,972	308,696	448,124	59,352	0	1079
ACCUM DEPRECIATION	ACCDEP	43,490,598	14,193,358	6,177,278	3,768,551	3,735,647	498,972	12,910	1079
ACCUM AMORTIZATION	ACCAMO	326,953	103,470	48,352	20,847	30,263	4,008	0	1079
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1079
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1079
GENERAL SUPPORT EXP	GSFX	186,406	59,043	27,328	11,783	17,105	2,265	561	1079
COE EXPENSE	COEX	535,562	207,293	29,992	81,951	90,076	5,274	0	1079
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1079
C&WF EXPENSE	CWFX	1,765,855	481,564	367,360	0	89,113	25,090	0	1079
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1079
NETWORK OPERATIONS EXP	NETOPX	339,523	107,541	50,254	21,667	31,454	4,166	0	1079
DEPREC & AMORT EXP	DEPAMX	5,261,281	1,741,744	703,345	479,050	497,907	59,782	1,659	1079
MARKETING EXPENSE	MRKTX	26,226	6,534	3,051	1,315	1,909	253	6	1079
SERVICES EXPENSE	SERVX	834,817	172,921	24,280	29,406	12,600	1,443	105,193	1079
- CABSX EXPENSE	CABSX	25,858	12,930	0	4,890	7,099	940	0	1079
EXEC & PLANNING EXP	EXEPLX	551,927	153,799	82,543	19,548	32,409	5,149	14,149	1079
GENERAL & ADMIN EXP	GENADX	915,591	280,880	150,747	35,701	59,189	9,404	25,839	1079
OTHER TAXES (EXCL FIT & ITC)	OTAXES	19,609	3,019	1,411	608	883	117	0	1079
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1079
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1079
INTEREST & RELATED ITEMS(IRI)	INTREL	1,338,535	409,824	191,346	82,500	119,763	15,862	354	1079

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	235,327	72,934	29,704	21,308	14,467	7,455	0	1080
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1080
- GENERAL SUPPORT FACILITIES	GSF	1,761,032	701,286	285,615	204,882	139,106	71,682	0	1080
- CENTRAL OFFICE EQUIPMENT	COE	7,581,255	4,285,679	722,489	2,550,272	650,796	362,122	0	1080
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1080
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1080
-- COE CAT 3	COE3	3,000,320	2,550,272	0	2,550,272	0	0	0	1080
-- COE CAT 4.11	COE411	241,842	241,842	0	0	0	241,842	0	1080
-- COE CAT 4.12	COE412	55,138	0	0	0	0	0	0	1080
-- COE CAT 4.13	COE413	2,999,433	733,364	722,489	0	0	10,875	0	1080
-- COE CAT 4.2	COE42	530,187	389,901	0	0	280,497	109,404	0	1080
-- COE CAT 4.3	COE43	754,335	370,299	0	0	370,299	0	0	1080
- INFORMATION ORIG/TERM	IOT	8,661	2,165	2,133	0	0	32	0	1080
- CABLE & WIRE FACILITIES	CWF	14,330,546	4,441,415	2,830,570	0	1,080,730	530,114	0	1080
-- C&WF CAT 1.1	CWF11	386,310	0	0	0	0	0	0	1080
-- C&WF CAT 1.2	CWF12	42,608	42,608	0	0	0	42,608	0	1080
-- C&WF CAT 1.3	CWF13	11,322,282	2,830,570	2,830,570	0	0	0	0	1080
-- C&WF CAT 2	CWF2	136,518	0	0	0	0	0	0	1080
-- C&WF CAT 3	CWF3	1,162,522	939,741	0	0	452,234	487,506	0	1080
-- C&WF CAT 4	CWF4	1,280,307	628,496	0	0	628,496	0	0	1080
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1080
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1080
TELCOM PLANT-OTHER	PLTOTH	1,022,517	407,191	165,838	118,962	80,770	41,621	0	1080
ACCUM DEPRECIATION	ACCDEP	14,069,726	5,607,294	2,276,280	1,613,531	1,132,008	585,476	0	1080
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1080
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1080
NETWORK SUPPORT EXP	NETSPX	2,060	820	334	240	163	84	0	1080
GENERAL SUPPORT EXP	GSFX	153,368	61,075	24,874	17,843	12,115	6,243	0	1080
COE EXPENSE	COEX	378,570	214,005	67,835	48,914	63,256	34,000	0	1080
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1080
C&WF EXPENSE	CWFX	349,457	108,306	69,025	0	26,354	12,927	0	1080
OTHER PROP & PL EXP	OTHPX	14,475	5,764	2,348	1,684	1,143	589	0	1080
NETWORK OPERATIONS EXP	NETOPX	81,826	32,585	13,271	9,520	6,464	3,331	0	1080
DEPREC & AMORT EXP	DEPAMX	1,351,175	576,117	204,471	211,515	105,340	54,791	0	1080
MARKETING EXPENSE	MRKTX	11,346	3,453	1,406	1,009	685	353	0	1080
SERVICES EXPENSE	SERVX	361,590	143,988	10,430	38,527	26,158	12,830	56,042	1080
- CABSX EXPENSE	CABSX	148,253	74,127	0	36,537	24,807	12,783	0	1080
EXEC & PLANNING EXP	EXEPLX	293,429	124,621	45,555	24,467	28,332	14,621	11,646	1080
GENERAL & ADMIN EXP	GENADX	397,182	197,691	72,266	38,813	44,945	23,194	18,474	1080
OTHER TAXES (EXCL FIT & ITC)	OTAXES	1,437	953	388	278	189	97	0	1080
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1080
NON-OPERATING INC & EXP	NONOPX	3,278	1,530	623	447	303	156	0	1080
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1080

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	243,874	65,012	35,608	19,459	1,489	8,429	27	1081
RTB STOCK	RTBSTK	199,300	68,908	37,742	20,625	1,578	8,934	28	1081
- GENERAL SUPPORT FACILITIES	GSF	4,534,948	1,567,967	856,626	468,127	35,819	202,780	4,616	1081
- CENTRAL OFFICE EQUIPMENT	COE	9,378,662	4,709,809	953,076	2,889,519	124,399	742,815	0	1081
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1081
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1081
-- COE CAT 3	COE3	4,157,144	2,889,519	0	2,889,519	0	0	0	1081
-- COE CAT 4.11	COE411	326,004	300,455	0	0	0	300,455	0	1081
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1081
-- COE CAT 4.13	COE413	3,840,547	968,139	953,076	0	0	15,063	0	1081
-- COE CAT 4.2	COE42	816,688	491,058	0	0	63,761	427,297	0	1081
-- COE CAT 4.3	COE43	238,279	60,638	0	0	60,638	0	0	1081
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1081
- CABLE & WIRE FACILITIES	CWF	18,530,963	4,940,000	4,334,458	0	96,694	508,848	0	1081
-- C&WF CAT 1.1	CWF11	59,941	0	0	0	0	0	0	1081
-- C&WF CAT 1.2	CWF12	68,504	68,504	0	0	0	68,504	0	1081
-- C&WF CAT 1.3	CWF13	17,337,832	4,334,458	4,334,458	0	0	0	0	1081
-- C&WF CAT 2	CWF2	171,988	92,227	0	0	0	92,227	0	1081
-- C&WF CAT 3	CWF3	566,907	361,903	0	0	13,786	348,117	0	1081
-- C&WF CAT 4	CWF4	325,792	82,909	0	0	82,909	0	0	1081
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1081
- INTANGIBLES	INTANG	727,768	251,627	137,820	75,316	5,763	32,625	104	1081
TELCOM PLANT-OTHER	PLTOTH	518,686	179,263	98,226	53,678	4,107	23,252	0	1081
ACCUM DEPRECIATION	ACCDEP	18,863,094	7,103,069	3,252,627	2,847,363	149,277	851,145	2,657	1081
ACCUM AMORTIZATION	ACCAMO	392,878	135,782	74,401	40,658	3,111	17,612	0	1081
NET DEFERRED FIT	NTDFIT	924,180	374,484	146,059	202,975	3,967	21,482	0	1081
NETWORK SUPPORT EXP	NETSPX	36,614	12,659	6,934	3,789	290	1,641	5	1081
GENERAL SUPPORT EXP	GSFX	404,249	139,770	76,360	41,729	3,193	18,076	411	1081
COE EXPENSE	COEX	383,715	192,695	34,504	126,795	4,504	26,892	0	1081
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1081
C&WF EXPENSE	CWFX	628,555	167,561	147,021	0	3,280	17,260	0	1081
OTHER PROP & PL EXP	OTHPPX	50,500	17,460	9,567	5,228	400	2,265	0	1081
NETWORK OPERATIONS EXP	NETOPX	786,194	271,828	148,946	81,396	6,228	35,258	0	1081
DEPREC & AMORT EXP	DEPAMX	2,800,910	1,156,470	426,959	577,025	22,533	129,700	252	1081
MARKETING EXPENSE	MRKTX	65,564	20,628	11,298	6,174	472	2,675	8	1081
SERVICES EXPENSE	SERVX	492,331	127,692	25,453	22,254	648	8,314	71,022	1081
- CABSX EXPENSE	CABSX	25,366	12,683	0	8,401	643	3,639	0	1081
EXEC & PLANNING EXP	EXEPLX	1,071,714	354,941	171,845	107,333	7,102	41,975	26,686	1081
GENERAL & ADMIN EXP	GENADX	1,181,243	453,129	247,502	120,541	7,977	47,141	29,968	1081
OTHER TAXES (EXCL FIT & ITC)	OTAXES	476,701	163,533	113,347	21,252	4,360	24,509	65	1081
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1081
NON-OPERATING INC & EXP	NONOPX	2,607	935	512	280	21	121	0	1081
INTEREST & RELATED ITEMS(IRI)	INTREL	296,882	88,428	48,434	26,468	2,025	11,465	36	1081

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	45,736	12,301	4,113	7,210	543	436	0	1082
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1082
- GENERAL SUPPORT FACILITIES	GSF	605,554	267,885	89,567	157,002	11,830	9,486	0	1082
- CENTRAL OFFICE EQUIPMENT	COE	1,129,779	812,352	8,079	760,226	38,284	5,763	0	1082
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1082
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1082
-- COE CAT 3	COE3	984,341	760,226	0	760,226	0	0	0	1082
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1082
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1082
-- COE CAT 4.13	COE413	33,152	8,792	8,079	0	0	713	0	1082
-- COE CAT 4.2	COE42	40,396	17,494	0	0	12,445	5,050	0	1082
-- COE CAT 4.3	COE43	71,890	25,839	0	0	25,839	0	0	1082
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1082
- CABLE & WIRE FACILITIES	CWF	1,802,399	484,784	425,618	0	18,997	40,170	0	1082
-- C&WF CAT 1.1	CWF11	6,535	0	0	0	0	0	0	1082
-- C&WF CAT 1.2	CWF12	37,579	37,579	0	0	0	37,579	0	1082
-- C&WF CAT 1.3	CWF13	1,702,470	425,618	425,618	0	0	0	0	1082
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1082
-- C&WF CAT 3	CWF3	20,737	8,980	0	0	6,389	2,592	0	1082
-- C&WF CAT 4	CWF4	35,078	12,608	0	0	12,608	0	0	1082
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1082
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1082
TELCOM PLANT-OTHER	PLTOTH	447,025	197,755	66,119	115,900	8,733	7,003	0	1082
ACCUM DEPRECIATION	ACCDEP	1,840,550	883,023	244,059	586,825	26,984	25,156	0	1082
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1082
NET DEFERRED FIT	NTDFIT	337,370	155,290	46,819	96,502	6,914	5,055	0	1082
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1082
GENERAL SUPPORT EXP	GSFX	25,603	11,326	3,787	6,638	500	401	0	1082
COE EXPENSE	COEX	250,906	180,410	3,527	157,657	16,712	2,516	0	1082
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1082
C&WF EXPENSE	CWFX	88,183	23,718	20,823	0	929	1,965	0	1082
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1082
NETWORK OPERATIONS EXP	NETOPX	98,252	43,465	14,532	25,474	1,919	1,539	0	1082
DEPREC & AMORT EXP	DEPAMX	278,651	145,929	31,025	107,450	4,160	3,294	0	1082
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1082
SERVICES EXPENSE	SERVX	153,910	42,198	10,264	17,562	1,241	2,573	10,559	1082
- CABSX EXPENSE	CABSX	18,962	9,481	0	8,348	629	504	0	1082
EXEC & PLANNING EXP	EXEPLX	240,349	130,550	22,949	89,888	9,235	3,899	4,578	1082
GENERAL & ADMIN EXP	GENADX	226,769	111,147	19,539	76,529	7,863	3,320	3,897	1082
OTHER TAXES (EXCL FIT & ITC)	OTAXES	33,790	18,924	6,992	10,208	977	748	0	1082
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1082
NON-OPERATING INC & EXP	NONOPX	1,885	975	326	572	43	35	0	1082
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1082

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	0	0	0	0	0	0	0	1083
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1083
- GENERAL SUPPORT FACILITIES	GSF	352,453	170,148	39,370	101,252	29,526	0	0	1083
- CENTRAL OFFICE EQUIPMENT	COE	805,000	597,936	9,132	534,555	54,250	0	0	1083
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1083
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1083
-- COE CAT 3	COE3	628,888	534,555	0	534,555	0	0	0	1083
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1083
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1083
-- COE CAT 4.13	COE413	36,526	9,132	9,132	0	0	0	0	1083
-- COE CAT 4.2	COE42	44,599	18,409	0	0	18,409	0	0	1083
-- COE CAT 4.3	COE43	94,987	35,841	0	0	35,841	0	0	1083
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1083
- CABLE & WIRE FACILITIES	CWF	1,055,759	300,352	198,719	0	101,633	0	0	1083
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1083
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1083
-- C&WF CAT 1.3	CWF13	794,875	198,719	198,719	0	0	0	0	1083
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1083
-- C&WF CAT 3	CWF3	90,150	37,210	0	0	37,210	0	0	1083
-- C&WF CAT 4	CWF4	170,734	64,423	0	0	64,423	0	0	1083
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1083
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1083
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1083
ACCUM DEPRECIATION	ACCDEP	1,154,421	602,371	116,724	402,209	83,438	0	0	1083
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1083
NET DEFERRED FIT	NTDFIT	174,647	84,311	19,509	50,172	14,631	0	0	1083
NETWORK SUPPORT EXP	NETSPX	9,644	4,656	1,077	2,771	808	0	0	1083
GENERAL SUPPORT EXP	GSFX	3,683	1,778	411	1,058	309	0	0	1083
COE EXPENSE	COEX	86,424	64,194	1,054	56,880	6,260	0	0	1083
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1083
C&WF EXPENSE	CWFX	58,551	16,657	11,021	0	5,636	0	0	1083
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1083
NETWORK OPERATIONS EXP	NETOPX	7,607	3,672	850	2,185	637	0	0	1083
DEPREC & AMORT EXP	DEPAMX	152,595	89,029	12,496	67,504	9,030	0	0	1083
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1083
SERVICES EXPENSE	SERVX	16,817	5,093	165	2,136	562	0	2,230	1083
- CABSX EXPENSE	CABSX	4,739	2,370	0	1,835	535	0	0	1083
EXEC & PLANNING EXP	EXEPLX	28,288	14,965	2,271	10,132	2,214	0	348	1083
GENERAL & ADMIN EXP	GENADX	95,823	61,128	9,278	41,386	9,045	0	1,419	1083
OTHER TAXES (EXCL FIT & ITC)	OTAXES	10,623	6,225	1,650	3,299	1,276	0	0	1083
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1083
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1083
INTEREST & RELATED ITEMS(IRI)	INTREL	28,884	12,471	2,886	7,422	2,164	0	0	1083

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	33,841	8,791	5,594	2,318	155	725	0	1084
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1084
- GENERAL SUPPORT FACILITIES	GSF	2,399,265	779,230	495,804	205,484	13,699	64,243	0	1084
- CENTRAL OFFICE EQUIPMENT	COE	9,388,760	3,982,498	1,496,792	2,041,975	57,271	386,460	0	1084
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1084
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1084
-- COE CAT 3	COE3	2,673,197	2,016,659	0	2,016,659	0	0	0	1084
-- COE CAT 4.11	COE411	270,649	270,649	0	0	0	270,649	0	1084
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1084
-- COE CAT 4.13	COE413	6,177,932	1,600,122	1,496,792	0	0	103,330	0	1084
-- COE CAT 4.2	COE42	238,538	69,753	0	0	57,271	12,482	0	1084
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1084
- INFORMATION ORIG/TERM	IOT	-13,414	-3,354	-3,354	0	0	0	0	1084
- CABLE & WIRE FACILITIES	CWF	14,762,709	3,835,065	3,494,654	0	80,550	259,861	0	1084
-- C&WF CAT 1.1	CWF11	204,135	0	0	0	0	0	0	1084
-- C&WF CAT 1.2	CWF12	241,251	241,251	0	0	0	241,251	0	1084
-- C&WF CAT 1.3	CWF13	13,978,615	3,494,654	3,494,654	0	0	0	0	1084
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1084
-- C&WF CAT 3	CWF3	338,708	99,160	0	0	80,550	18,610	0	1084
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1084
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1084
- INTANGIBLES	INTANG	1,104	359	228	95	6	30	0	1084
TELCOM PLANT-OTHER	PLTOTH	679,829	220,794	140,486	58,224	3,882	18,203	0	1084
ACCUM DEPRECIATION	ACCDEP	14,141,990	5,082,408	2,692,863	1,961,781	74,770	352,994	0	1084
ACCUM AMORTIZATION	ACCAMO	140,872	45,752	29,111	12,065	804	3,772	0	1084
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1084
NETWORK SUPPORT EXP	NETSPX	6,159	2,000	1,273	527	35	165	0	1084
GENERAL SUPPORT EXP	GSFX	107,731	34,989	22,262	9,227	615	2,885	0	1084
COE EXPENSE	COEX	559,000	238,622	66,522	152,379	2,545	17,176	0	1084
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1084
C&WF EXPENSE	CWFX	426,749	110,861	101,021	0	2,328	7,512	0	1084
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1084
NETWORK OPERATIONS EXP	NETOPX	128,374	41,693	26,528	10,995	733	3,437	0	1084
DEPREC & AMORT EXP	DEPAMX	2,222,591	984,018	336,590	584,670	10,049	52,708	0	1084
MARKETING EXPENSE	MRKTX	179,077	34,820	22,155	9,182	612	2,871	0	1084
SERVICES EXPENSE	SERVX	472,584	187,660	73,814	65,324	3,855	16,883	27,784	1084
- CABSX EXPENSE	CABSX	85,477	42,739	0	30,985	2,066	9,687	0	1084
EXEC & PLANNING EXP	EXEPLX	416,873	144,875	74,061	52,024	2,253	10,699	5,837	1084
GENERAL & ADMIN EXP	GENADX	644,421	294,457	150,529	105,739	4,579	21,746	11,864	1084
OTHER TAXES (EXCL FIT & ITC)	OTAXES	731,267	238,025	151,449	62,767	4,185	19,624	0	1084
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1084
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1084
INTEREST & RELATED ITEMS(IRI)	INTREL	224	64	41	17	1	5	0	1084

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COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	22,833	6,222	4,237	1,099	261	626	0	1085
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1085
- GENERAL SUPPORT FACILITIES	GSF	416,422	127,489	86,802	22,515	5,356	12,816	0	1085
- CENTRAL OFFICE EQUIPMENT	COE	2,027,933	852,787	224,166	500,985	45,315	82,321	0	1085
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1085
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1085
-- COE CAT 3	COE3	913,145	470,490	0	470,490	0	0	0	1085
-- COE CAT 4.11	COE411	52,719	52,719	0	0	0	52,719	0	1085
-- COE CAT 4.12	COE412	7,200	0	0	0	0	0	0	1085
-- COE CAT 4.13	COE413	918,880	238,838	224,166	0	0	14,672	0	1085
-- COE CAT 4.2	COE42	103,889	60,246	0	0	45,315	14,930	0	1085
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1085
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1085
- CABLE & WIRE FACILITIES	CWF	7,802,115	2,126,209	1,824,884	0	81,110	220,214	0	1085
-- C&WF CAT 1.1	CWF11	61,427	0	0	0	0	0	0	1085
-- C&WF CAT 1.2	CWF12	119,441	119,441	0	0	0	119,441	0	1085
-- C&WF CAT 1.3	CWF13	7,299,538	1,824,884	1,824,884	0	0	0	0	1085
-- C&WF CAT 2	CWF2	54,202	0	0	0	0	0	0	1085
-- C&WF CAT 3	CWF3	267,508	181,883	0	0	81,110	100,773	0	1085
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1085
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1085
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1085
TELCOM PLANT-OTHER	PLTOTH	2,206,329	675,472	459,904	119,289	28,376	67,903	0	1085
ACCUM DEPRECIATION	ACCDEP	1,549,683	428,861	361,228	-13,921	24,602	56,952	0	1085
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1085
NET DEFERRED FIT	NTDFIT	161,010	49,294	33,562	8,705	2,071	4,955	0	1085
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1085
GENERAL SUPPORT EXP	GSFX	36,843	11,280	7,680	1,992	474	1,134	0	1085
COE EXPENSE	COEX	113,840	49,584	5,820	40,449	1,177	2,137	0	1085
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1085
C&WF EXPENSE	CWFX	158,014	43,061	36,959	0	1,643	4,460	0	1085
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1085
NETWORK OPERATIONS EXP	NETOPX	61,762	18,909	12,874	3,339	794	1,901	0	1085
DEPREC & AMORT EXP	DEPAMX	656,051	217,987	123,928	62,092	9,996	21,971	0	1085
MARKETING EXPENSE	MRKTX	7,402	2,840	1,933	501	119	285	0	1085
SERVICES EXPENSE	SERVX	289,811	119,071	55,707	31,614	6,164	12,042	13,545	1085
- CABSX EXPENSE	CABSX	44,263	22,132	0	12,247	2,913	6,971	0	1085
EXEC & PLANNING EXP	EXEPLX	12,059	4,463	2,405	1,295	172	365	225	1085
GENERAL & ADMIN EXP	GENADX	247,252	116,201	62,612	33,727	4,490	9,508	5,865	1085
OTHER TAXES (EXCL FIT & ITC)	OTAXES	132,425	44,653	29,818	8,643	1,820	4,372	0	1085
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1085
NON-OPERATING INC & EXP	NONOPX	1,655	770	524	136	32	77	0	1085
INTEREST & RELATED ITEMS(IRI)	INTREL	438,566	136,129	89,881	27,671	5,452	13,124	0	1085

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MATERIALS AND SUPPLIES	MATSUP	21,187	7,127	3,840	724	931	1,632	0	1086
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1086
- GENERAL SUPPORT FACILITIES	GSF	1,663,594	570,926	307,596	58,033	74,568	130,730	0	1086
- CENTRAL OFFICE EQUIPMENT	COE	1,667,176	595,752	272,648	179,125	103,035	40,944	0	1086
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1086
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1086
-- COE CAT 3	COE3	253,786	179,125	0	179,125	0	0	0	1086
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1086
-- COE CAT 4.12	COE412	2,122	0	0	0	0	0	0	1086
-- COE CAT 4.13	COE413	1,131,788	285,657	272,648	0	0	13,009	0	1086
-- COE CAT 4.2	COE42	279,480	130,970	0	0	103,035	27,935	0	1086
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1086
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1086
- CABLE & WIRE FACILITIES	CWF	3,467,709	1,166,480	676,783	0	127,128	362,569	0	1086
-- C&WF CAT 1.1	CWF11	69,966	0	0	0	0	0	0	1086
-- C&WF CAT 1.2	CWF12	32,292	32,292	0	0	0	32,292	0	1086
-- C&WF CAT 1.3	CWF13	2,707,132	676,783	676,783	0	0	0	0	1086
-- C&WF CAT 2	CWF2	297,616	297,616	0	0	0	297,616	0	1086
-- C&WF CAT 3	CWF3	360,704	159,790	0	0	127,128	32,661	0	1086
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1086
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1086
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1086
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1086
ACCUM DEPRECIATION	ACCDEP	5,510,330	1,855,122	1,034,386	134,869	255,144	430,723	0	1086
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1086
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1086
NETWORK SUPPORT EXP	NETSPX	-8,461	-2,904	-1,564	-295	-379	-665	0	1086
GENERAL SUPPORT EXP	GSFX	119,586	41,041	22,111	4,172	5,360	9,397	0	1086
COE EXPENSE	COEX	181,434	64,834	13,723	43,864	5,186	2,061	0	1086
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1086
C&WF EXPENSE	CWFX	414,191	139,327	80,836	0	15,185	43,306	0	1086
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1086
NETWORK OPERATIONS EXP	NETOPX	146,889	52,256	28,154	5,312	6,825	11,966	0	1086
DEPREC & AMORT EXP	DEPAMX	397,761	145,720	69,781	27,861	15,454	32,623	0	1086
MARKETING EXPENSE	MRKTX	2,881	974	525	99	127	223	0	1086
SERVICES EXPENSE	SERVX	200,883	62,849	5,657	4,231	3,199	21,702	28,060	1086
- CABSX EXPENSE	CABSX	20,458	10,229	0	2,254	2,897	5,078	0	1086
EXEC & PLANNING EXP	EXEPLX	215,831	73,042	32,886	11,028	6,823	16,911	5,393	1086
GENERAL & ADMIN EXP	GENADX	383,931	151,413	68,172	22,862	14,144	35,056	11,179	1086
OTHER TAXES (EXCL FIT & ITC)	OTAXES	225,904	78,352	41,697	8,758	10,043	17,853	0	1086
INVESTMENT TAX CREDITS (ITC)	ITC	4,111	1,411	760	143	184	323	0	1086
NON-OPERATING INC & EXP	NONOPX	9,158	3,427	1,847	348	448	785	0	1086
INTEREST & RELATED ITEMS(IRI)	INTREL	10,742	3,980	2,144	405	520	911	0	1086

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	25,455	13,601	1,141	4,679	1,325	6,457	0	1087
RTB STOCK	RTBSTK	251,027	181,668	15,241	62,493	17,693	86,240	0	1087
- GENERAL SUPPORT FACILITIES	GSF	2,358,371	1,706,752	143,191	587,116	166,226	810,219	0	1087
- CENTRAL OFFICE EQUIPMENT	COE	2,911,652	2,442,519	27,395	1,175,044	250,829	989,251	0	1087
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1087
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1087
-- COE CAT 3	COE3	1,382,405	1,145,297	0	1,145,297	0	0	0	1087
-- COE CAT 4.11	COE411	304,226	304,226	0	0	0	304,226	0	1087
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1087
-- COE CAT 4.13	COE413	115,459	28,297	27,395	0	0	902	0	1087
-- COE CAT 4.2	COE42	1,074,011	934,952	0	0	250,829	684,123	0	1087
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1087
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1087
- CABLE & WIRE FACILITIES	CWF	1,927,844	1,030,076	266,440	0	90,276	673,360	0	1087
-- C&WF CAT 1.1	CWF11	48,399	0	0	0	0	0	0	1087
-- C&WF CAT 1.2	CWF12	8,770	8,770	0	0	0	8,770	0	1087
-- C&WF CAT 1.3	CWF13	1,065,760	266,440	266,440	0	0	0	0	1087
-- C&WF CAT 2	CWF2	418,366	418,366	0	0	0	418,366	0	1087
-- C&WF CAT 3	CWF3	386,548	336,499	0	0	90,276	246,223	0	1087
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1087
- TANGIBLES	TANGIB	124,503	90,103	7,559	30,995	8,775	42,773	0	1087
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1087
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1087
ACCUM DEPRECIATION	ACCDEP	5,412,994	3,907,006	327,232	1,602,812	326,952	1,650,009	0	1087
ACCUM AMORTIZATION	ACCAMO	97,698	70,704	5,932	24,322	6,886	33,564	0	1087
NET DEFERRED FIT	NTDFIT	81,779	59,158	4,992	19,560	5,913	28,694	0	1087
NETWORK SUPPORT EXP	NETSPX	12,628	9,139	767	3,144	890	4,338	0	1087
GENERAL SUPPORT EXP	GSFX	273,915	198,232	16,631	68,191	19,306	94,104	0	1087
COE EXPENSE	COEX	889,167	754,986	4,113	564,677	37,661	148,534	0	1087
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1087
C&WF EXPENSE	CWFX	396,717	211,972	54,829	0	18,577	138,566	0	1087
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1087
NETWORK OPERATIONS EXP	NETOPX	330,774	240,130	20,146	82,604	23,387	113,993	0	1087
DEPREC & AMORT EXP	DEPAMX	550,539	432,581	20,059	153,093	48,789	210,639	0	1087
MARKETING EXPENSE	MRKTX	101,534	57,554	4,829	19,798	5,605	27,322	0	1087
SERVICES EXPENSE	SERVX	216,376	94,921	18,034	36,678	10,506	27,212	2,491	1087
- CABSX EXPENSE	CABSX	104,702	52,351	0	19,658	5,566	27,128	0	1087
EXEC & PLANNING EXP	EXEPLX	83,053	58,367	4,878	28,640	4,284	20,473	92	1087
GENERAL & ADMIN EXP	GENADX	639,923	475,372	39,731	233,259	34,889	166,743	750	1087
OTHER TAXES (EXCL FIT & ITC)	OTAXES	100,323	74,169	6,229	22,235	7,902	37,803	0	1087
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1087
NON-OPERATING INC & EXP	NONOPX	1,000	738	62	254	72	350	0	1087
INTEREST & RELATED ITEMS(IRI)	INTREL	76,064	55,505	4,657	19,093	5,406	26,349	0	1087

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	338,875	85,928	68,749	10,325	808	5,967	79	1088
RTB STOCK	RTBSTK	15,926	4,519	3,616	543	42	314	4	1088
- GENERAL SUPPORT FACILITIES	GSF	4,283,846	1,215,619	964,459	144,849	11,333	83,708	11,270	1088
- CENTRAL OFFICE EQUIPMENT	COE	11,552,452	4,112,288	2,150,439	1,336,831	90,308	534,710	0	1088
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1088
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1088
-- COE CAT 3	COE3	2,036,139	1,336,831	0	1,336,831	0	0	0	1088
-- COE CAT 4.11	COE411	449,712	449,712	0	0	0	449,712	0	1088
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1088
-- COE CAT 4.13	COE413	8,770,314	2,213,158	2,150,439	0	0	62,720	0	1088
-- COE CAT 4.2	COE42	296,287	112,586	0	0	90,308	22,278	0	1088
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1088
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1088
- CABLE & WIRE FACILITIES	CWF	27,617,300	7,002,842	6,750,707	0	14,289	237,846	0	1088
-- C&WF CAT 1.1	CWF11	332,254	0	0	0	0	0	0	1088
-- C&WF CAT 1.2	CWF12	196,891	196,891	0	0	0	196,891	0	1088
-- C&WF CAT 1.3	CWF13	27,002,828	6,750,707	6,750,707	0	0	0	0	1088
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1088
-- C&WF CAT 3	CWF3	85,326	55,243	0	0	14,289	40,955	0	1088
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1088
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1088
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1088
TELCOM PLANT-OTHER	PLTOTH	385,267	109,227	87,470	13,137	1,028	7,592	0	1088
ACCUM DEPRECIATION	ACCDEP	20,250,341	5,942,580	4,483,331	911,915	67,964	470,901	8,468	1088
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1088
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1088
NETWORK SUPPORT EXP	NETSPX	1,544	438	351	53	4	30	0	1088
GENERAL SUPPORT EXP	GSFX	177,230	50,292	39,901	5,993	469	3,463	466	1088
COE EXPENSE	COEX	528,657	188,184	59	188,108	2	15	0	1088
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1088
C&WF EXPENSE	CWFX	475,775	120,641	116,297	0	246	4,097	0	1088
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1088
NETWORK OPERATIONS EXP	NETOPX	328,139	93,115	74,568	11,199	876	6,472	0	1088
DEPREC & AMORT EXP	DEPAMX	3,420,822	1,136,226	676,529	379,107	9,949	69,417	1,224	1088
MARKETING EXPENSE	MRKTX	76,233	21,944	17,557	2,637	206	1,524	20	1088
SERVICES EXPENSE	SERVX	341,792	142,295	77,561	18,718	1,410	7,220	37,385	1088
- CABSX EXPENSE	CABSX	26,667	13,334	0	8,051	630	4,653	0	1088
EXEC & PLANNING EXP	EXEPLX	295,528	95,580	56,238	30,691	435	3,089	5,127	1088
GENERAL & ADMIN EXP	GENADX	687,509	266,858	157,015	85,688	1,215	8,626	14,314	1088
OTHER TAXES (EXCL FIT & ITC)	OTAXES	705,170	201,493	161,358	24,234	1,896	14,005	0	1088
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1088
NON-OPERATING INC & EXP	NONOPX	3,383	1,247	998	150	12	87	1	1088
INTEREST & RELATED ITEMS(IRI)	INTREL	407	112	90	13	1	8	0	1088

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	10,250	3,307	521	2,228	504	54	0	1089
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1089
- GENERAL SUPPORT FACILITIES	GSF	474,668	268,053	42,235	180,566	40,882	4,370	0	1089
- CENTRAL OFFICE EQUIPMENT	COE	656,215	508,802	13,984	466,852	19,431	8,534	0	1089
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1089
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1089
-- COE CAT 3	COE3	549,238	466,852	0	466,852	0	0	0	1089
-- COE CAT 4.11	COE411	506	253	0	0	0	253	0	1089
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1089
-- COE CAT 4.13	COE413	56,423	14,146	13,984	0	0	162	0	1089
-- COE CAT 4.2	COE42	44,267	24,816	0	0	16,697	8,119	0	1089
-- COE CAT 4.3	COE43	5,781	2,734	0	0	2,734	0	0	1089
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1089
- CABLE & WIRE FACILITIES	CWF	571,034	184,246	95,215	0	86,267	2,764	0	1089
-- C&WF CAT 1.1	CWF11	2,208	0	0	0	0	0	0	1089
-- C&WF CAT 1.2	CWF12	1,104	1,104	0	0	0	1,104	0	1089
-- C&WF CAT 1.3	CWF13	380,858	95,215	95,215	0	0	0	0	1089
-- C&WF CAT 2	CWF2	3,320	1,660	0	0	0	1,660	0	1089
-- C&WF CAT 3	CWF3	57,532	26,671	0	0	26,671	0	0	1089
-- C&WF CAT 4	CWF4	126,012	59,596	0	0	59,596	0	0	1089
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1089
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1089
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1089
ACCUM DEPRECIATION	ACCDEP	1,108,346	642,915	92,931	446,581	91,694	11,709	0	1089
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1089
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1089
NETWORK SUPPORT EXP	NETSPX	-1	-1	0	0	0	0	0	1089
GENERAL SUPPORT EXP	GSFX	67,570	38,158	6,012	25,704	5,820	622	0	1089
COE EXPENSE	COEX	145,935	113,152	9,109	85,827	12,657	5,559	0	1089
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1089
C&WF EXPENSE	CWFX	27,325	8,816	4,556	0	4,128	132	0	1089
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1089
NETWORK OPERATIONS EXP	NETOPX	4,992	3,392	534	2,285	517	55	0	1089
DEPREC & AMORT EXP	DEPAMX	107,635	64,104	8,437	45,580	8,642	1,445	0	1089
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1089
SERVICES EXPENSE	SERVX	48,211	21,022	3,208	11,926	2,694	858	2,336	1089
- CABSX EXPENSE	CABSX	26,531	13,266	0	10,607	2,402	257	0	1089
EXEC & PLANNING EXP	EXEPLX	36,080	23,322	4,164	14,951	3,070	859	278	1089
GENERAL & ADMIN EXP	GENADX	138,721	103,498	18,480	66,350	13,622	3,813	1,233	1089
OTHER TAXES (EXCL FIT & ITC)	OTAXES	23,659	13,389	2,231	8,823	2,135	200	0	1089
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1089
NON-OPERATING INC & EXP	NONOPX	1,305	947	149	638	144	15	0	1089
INTEREST & RELATED ITEMS(IRI)	INTREL	7,456	3,997	630	2,692	610	65	0	1089

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	199,026	70,574	26,358	17,764	5,747	20,705	0	1090
RTB STOCK	RTBSTK	105,521	45,201	16,882	11,377	3,681	13,261	0	1090
- GENERAL SUPPORT FACILITIES	GSF	1,708,039	731,661	275,597	179,480	60,091	216,493	0	1090
- CENTRAL OFFICE EQUIPMENT	COE	4,033,187	2,386,091	333,455	1,361,720	203,085	487,831	0	1090
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1090
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1090
-- COE CAT 3	COE3	1,646,734	1,307,976	0	1,307,976	0	0	0	1090
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1090
-- COE CAT 4.12	COE412	16,960	0	0	0	0	0	0	1090
-- COE CAT 4.13	COE413	1,351,315	345,426	333,455	0	0	11,971	0	1090
-- COE CAT 4.2	COE42	900,359	648,597	0	0	172,737	475,860	0	1090
-- COE CAT 4.3	COE43	117,819	30,347	0	0	30,347	0	0	1090
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1090
- CABLE & WIRE FACILITIES	CWF	8,925,747	3,165,039	1,757,506	0	252,825	1,154,708	0	1090
-- C&WF CAT 1.1	CWF11	29,120	0	0	0	0	0	0	1090
-- C&WF CAT 1.2	CWF12	63,093	63,093	0	0	0	63,093	0	1090
-- C&WF CAT 1.3	CWF13	7,030,025	1,757,506	1,757,506	0	0	0	0	1090
-- C&WF CAT 2	CWF2	1,128,767	1,069,620	0	0	0	1,069,620	0	1090
-- C&WF CAT 3	CWF3	533,367	238,405	0	0	216,410	21,995	0	1090
-- C&WF CAT 4	CWF4	141,375	36,415	0	0	36,415	0	0	1090
- TANGIBLES	TANGIB	84,235	36,083	13,592	8,851	2,963	10,677	0	1090
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1090
TELCOM PLANT-OTHER	PLTOTH	553,150	236,949	88,500	59,633	19,296	69,520	0	1090
ACCUM DEPRECIATION	ACCDEP	8,403,736	3,863,405	1,258,202	1,405,198	251,390	948,615	0	1090
ACCUM AMORTIZATION	ACCAMO	3,040	1,302	491	319	107	385	0	1090
NET DEFERRED FIT	NTDFIT	918,808	418,662	139,287	147,980	27,300	104,096	0	1090
NETWORK SUPPORT EXP	NETSPX	6,349	2,720	1,016	685	221	798	0	1090
GENERAL SUPPORT EXP	GSFX	251,647	107,796	40,604	26,443	8,853	31,896	0	1090
COE EXPENSE	COEX	579,620	342,911	10,488	310,692	6,388	15,344	0	1090
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1090
C&WF EXPENSE	CWFX	256,185	90,842	50,444	0	7,257	33,142	0	1090
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1090
NETWORK OPERATIONS EXP	NETOPX	134,453	57,595	21,694	14,128	4,730	17,042	0	1090
DEPREC & AMORT EXP	DEPAMX	1,041,018	531,112	133,270	262,571	29,616	105,656	0	1090
MARKETING EXPENSE	MRKTX	81,250	30,649	11,447	7,714	2,496	8,992	0	1090
SERVICES EXPENSE	SERVX	382,125	82,515	18,146	9,568	2,567	9,247	42,987	1090
- CABSX EXPENSE	CABSX	39,566	19,783	0	7,969	2,567	9,247	0	1090
EXEC & PLANNING EXP	EXEPLX	620,623	261,695	62,125	131,305	11,562	41,416	15,287	1090
GENERAL & ADMIN EXP	GENADX	470,911	314,324	74,619	157,712	13,887	49,745	18,361	1090
OTHER TAXES (EXCL FIT & ITC)	OTAXES	345,826	147,807	57,359	32,124	12,784	45,539	0	1090
INVESTMENT TAX CREDITS (ITC)	ITC	3,075	1,317	492	332	107	386	0	1090
NON-OPERATING INC & EXP	NONOPX	14,685	7,749	2,894	1,951	631	2,274	0	1090
INTEREST & RELATED ITEMS(IRI)	INTREL	153,383	58,299	21,773	14,674	4,747	17,104	0	1090

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	1,596,455	455,909	216,937	80,600	91,314	66,693	365	1091
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1091
- GENERAL SUPPORT FACILITIES	GSF	26,253,826	9,082,140	4,312,694	1,598,365	1,815,326	1,325,863	29,893	1091
- CENTRAL OFFICE EQUIPMENT	COE	26,104,426	12,388,885	1,558,502	4,993,128	4,350,814	1,486,441	0	1091
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1091
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1091
-- COE CAT 3	COE3	10,528,294	4,976,802	0	4,976,802	0	0	0	1091
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1091
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1091
-- COE CAT 4.13	COE413	6,325,935	1,624,433	1,558,502	0	0	65,930	0	1091
-- COE CAT 4.2	COE42	4,733,958	3,230,700	0	0	1,810,190	1,420,510	0	1091
-- COE CAT 4.3	COE43	4,516,239	2,540,624	0	0	2,540,624	0	0	1091
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1091
- CABLE & WIRE FACILITIES	CWF	55,639,893	15,889,408	11,913,911	0	1,320,078	2,655,418	0	1091
-- C&WF CAT 1.1	CWF11	198,721	0	0	0	0	0	0	1091
-- C&WF CAT 1.2	CWF12	504,003	504,003	0	0	0	504,003	0	1091
-- C&WF CAT 1.3	CWF13	47,655,644	11,913,911	11,913,911	0	0	0	0	1091
-- C&WF CAT 2	CWF2	4,730,908	2,054,458	0	0	0	2,054,458	0	1091
-- C&WF CAT 3	CWF3	506,075	266,872	0	0	169,915	96,957	0	1091
-- C&WF CAT 4	CWF4	2,044,542	1,150,163	0	0	1,150,163	0	0	1091
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1091
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1091
TELCOM PLANT-OTHER	PLTOTH	3,643,111	1,258,504	599,580	222,216	252,378	184,330	0	1091
ACCUM DEPRECIATION	ACCDEP	67,989,217	24,030,366	10,844,915	4,358,243	5,279,988	3,529,031	18,189	1091
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1091
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1091
NETWORK SUPPORT EXP	NETSPX	29,563	10,227	4,866	1,808	2,048	1,496	8	1091
GENERAL SUPPORT EXP	GSFX	2,906,514	1,005,467	477,451	176,952	200,971	146,784	3,309	1091
COE EXPENSE	COEX	1,896,736	900,171	57,018	629,598	159,174	54,381	0	1091
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1091
C&WF EXPENSE	CWFX	941,609	268,901	201,622	0	22,340	44,938	0	1091
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1091
NETWORK OPERATIONS EXP	NETOPX	1,630,100	563,910	268,659	99,570	113,086	82,595	0	1091
DEPREC & AMORT EXP	DEPAMX	8,805,246	3,174,446	1,313,737	814,027	621,089	422,452	3,140	1091
MARKETING EXPENSE	MRKTX	277,782	119,584	56,902	21,141	23,952	17,494	96	1091
SERVICES EXPENSE	SERVX	1,759,466	619,625	119,911	173,815	47,112	23,455	255,333	1091
- CABSX EXPENSE	CABSX	166,647	83,324	0	28,161	31,879	23,284	0	1091
EXEC & PLANNING EXP	EXEPLX	556,068	211,308	79,667	63,084	32,528	21,229	14,800	1091
GENERAL & ADMIN EXP	GENADX	1,537,434	735,359	277,244	219,534	113,199	73,878	51,505	1091
OTHER TAXES (EXCL FIT & ITC)	OTAXES	855,369	295,742	140,837	52,326	59,282	43,298	0	1091
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1091
NON-OPERATING INC & EXP	NONOPX	44,118	19,950	9,493	3,527	3,996	2,918	16	1091
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1091

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	164,119	43,582	27,956	8,694	5,030	1,902	0	1092
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1092
- GENERAL SUPPORT FACILITIES	GSF	4,985,181	1,545,786	991,552	308,372	178,405	67,457	0	1092
- CENTRAL OFFICE EQUIPMENT	COE	15,363,182	6,447,117	1,568,571	3,306,087	1,436,052	136,407	0	1092
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1092
-- COE CAT 2	COE2	752,043	234,625	0	0	234,625	0	0	1092
-- COE CAT 3	COE3	5,291,915	3,262,311	0	3,262,311	0	0	0	1092
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1092
-- COE CAT 4.12	COE412	2,366	0	0	0	0	0	0	1092
-- COE CAT 4.13	COE413	6,363,386	1,617,096	1,568,571	0	0	48,524	0	1092
-- COE CAT 4.2	COE42	2,896,727	1,289,310	0	0	1,201,427	87,883	0	1092
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1092
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1092
- CABLE & WIRE FACILITIES	CWF	38,791,137	10,301,076	9,202,713	0	501,975	596,387	0	1092
-- C&WF CAT 1.1	CWF11	238,059	0	0	0	0	0	0	1092
-- C&WF CAT 1.2	CWF12	284,690	284,690	0	0	0	284,690	0	1092
-- C&WF CAT 1.3	CWF13	36,810,852	9,202,713	9,202,713	0	0	0	0	1092
-- C&WF CAT 2	CWF2	40,256	0	0	0	0	0	0	1092
-- C&WF CAT 3	CWF3	1,417,280	813,673	0	0	501,975	311,698	0	1092
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1092
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1092
- INTANGIBLES	INTANG	7,354	2,280	1,463	455	263	100	0	1092
TELCOM PLANT-OTHER	PLTOTH	824,560	255,676	164,005	51,005	29,509	11,158	0	1092
ACCUM DEPRECIATION	ACCDEP	37,114,846	12,133,801	6,843,631	3,164,603	1,649,225	476,343	0	1092
ACCUM AMORTIZATION	ACCAMO	122,120	37,867	24,290	7,554	4,370	1,652	0	1092
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1092
NETWORK SUPPORT EXP	NETSPX	18,206	5,645	3,621	1,126	652	246	0	1092
GENERAL SUPPORT EXP	GSFX	299,594	92,897	59,589	18,532	10,722	4,054	0	1092
COE EXPENSE	COEX	865,585	365,707	6,374	330,733	28,046	554	0	1092
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1092
C&WF EXPENSE	CWFX	891,363	236,703	211,465	0	11,535	13,704	0	1092
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1092
NETWORK OPERATIONS EXP	NETOPX	656,996	203,719	130,676	40,640	23,512	8,890	0	1092
DEPREC & AMORT EXP	DEPAMX	3,806,219	1,199,919	739,720	261,870	147,621	50,708	0	1092
MARKETING EXPENSE	MRKTX	2,459	1,030	660	205	119	45	0	1092
SERVICES EXPENSE	SERVX	677,018	282,492	118,656	43,124	23,913	5,657	91,142	1092
- CABSX EXPENSE	CABSX	49,289	24,645	0	13,712	7,933	3,000	0	1092
EXEC & PLANNING EXP	EXEPLX	404,738	142,568	72,558	46,275	10,494	3,532	9,710	1092
GENERAL & ADMIN EXP	GENADX	866,796	369,487	188,044	119,929	27,196	9,153	25,165	1092
OTHER TAXES (EXCL FIT & ITC)	OTAXES	796,285	246,909	158,381	49,256	28,497	10,775	0	1092
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1092
NON-OPERATING INC & EXP	NONOPX	34,334	13,827	8,869	2,758	1,596	603	0	1092
INTEREST & RELATED ITEMS(IRI)	INTREL	3,992	1,128	723	225	130	49	0	1092

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	1,929,068	545,970	307,270	92,081	75,431	68,877	2,310	1093
RTB STOCK	RTBSTK	473,103	160,625	90,399	27,090	22,192	20,264	680	1093
- GENERAL SUPPORT FACILITIES	GSF	19,061,858	6,471,773	3,590,876	1,076,094	881,518	804,923	118,363	1093
- CENTRAL OFFICE EQUIPMENT	COE	21,599,537	9,691,059	2,921,055	3,642,043	1,594,331	1,533,630	0	1093
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1093
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1093
-- COE CAT 3	COE3	5,346,510	3,642,043	0	3,642,043	0	0	0	1093
-- COE CAT 4.11	COE411	1,467,725	1,467,725	0	0	0	1,467,725	0	1093
-- COE CAT 4.12	COE412	12,980	0	0	0	0	0	0	1093
-- COE CAT 4.13	COE413	11,989,723	2,984,997	2,921,055	0	0	63,942	0	1093
-- COE CAT 4.2	COE42	2,782,599	1,596,294	0	0	1,594,331	1,963	0	1093
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1093
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1093
- CABLE & WIRE FACILITIES	CWF	41,735,463	11,812,079	9,232,276	0	1,389,168	1,190,635	0	1093
-- C&WF CAT 1.1	CWF11	763,475	0	0	0	0	0	0	1093
-- C&WF CAT 1.2	CWF12	202,096	202,096	0	0	0	202,096	0	1093
-- C&WF CAT 1.3	CWF13	36,929,103	9,232,276	9,232,276	0	0	0	0	1093
-- C&WF CAT 2	CWF2	173,522	173,318	0	0	0	173,318	0	1093
-- C&WF CAT 3	CWF3	3,667,266	2,204,389	0	0	1,389,168	815,221	0	1093
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1093
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1093
- INTANGIBLES	INTANG	3,205	1,088	612	184	150	137	5	1093
TELCOM PLANT-OTHER	PLTOTH	1,000,839	338,361	191,238	57,309	46,947	42,868	0	1093
ACCUM DEPRECIATION	ACCDEP	50,093,701	17,751,992	9,161,406	3,967,120	2,368,108	2,172,910	82,448	1093
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1093
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1093
NETWORK SUPPORT EXP	NETSPX	44,941	15,258	8,587	2,573	2,108	1,925	65	1093
GENERAL SUPPORT EXP	GSFX	2,509,716	852,084	472,781	141,680	116,062	105,978	15,584	1093
COE EXPENSE	COEX	2,077,978	932,326	248,305	418,128	135,526	130,366	0	1093
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1093
C&WF EXPENSE	CWFX	2,910,594	823,764	643,851	0	96,879	83,034	0	1093
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1093
NETWORK OPERATIONS EXP	NETOPX	2,197,870	746,208	421,749	126,387	103,534	94,538	0	1093
DEPREC & AMORT EXP	DEPAMX	7,363,995	2,706,155	1,294,350	706,427	359,526	331,994	13,858	1093
MARKETING EXPENSE	MRKTX	1,846,009	897,962	505,370	151,447	124,062	113,283	3,799	1093
SERVICES EXPENSE	SERVX	1,623,456	757,014	239,714	224,195	69,029	45,737	178,338	1093
- CABSX EXPENSE	CABSX	132,841	66,421	0	25,873	21,195	19,353	0	1093
EXEC & PLANNING EXP	EXEPLX	343,637	134,066	69,593	27,624	16,796	14,919	5,133	1093
GENERAL & ADMIN EXP	GENADX	1,480,433	757,047	392,982	155,988	94,847	84,245	28,985	1093
OTHER TAXES (EXCL FIT & ITC)	OTAXES	1,009,786	343,555	194,173	58,189	47,667	43,525	0	1093
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1093
NON-OPERATING INC & EXP	NONOPX	198,611	97,027	54,607	16,364	13,405	12,241	411	1093
INTEREST & RELATED ITEMS(IRI)	INTREL	6,255	1,974	1,111	333	273	249	8	1093

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	716,195	190,611	124,671	33,589	19,111	13,240	0	1094
RTB STOCK	RTBSTK	53,350	16,755	10,959	2,953	1,680	1,164	0	1094
- GENERAL SUPPORT FACILITIES	GSF	4,953,306	1,555,671	1,017,501	274,136	155,974	108,059	0	1094
- CENTRAL OFFICE EQUIPMENT	COE	6,942,727	3,389,364	770,518	1,783,349	399,358	436,139	0	1094
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1094
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1094
-- COE CAT 3	COE3	2,414,477	1,763,863	0	1,763,863	0	0	0	1094
-- COE CAT 4.11	COE411	408,973	408,973	0	0	0	408,973	0	1094
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1094
-- COE CAT 4.13	COE413	3,119,752	789,841	770,518	0	0	19,323	0	1094
-- COE CAT 4.2	COE42	191,284	81,340	0	0	73,496	7,843	0	1094
-- COE CAT 4.3	COE43	780,530	325,861	0	0	325,861	0	0	1094
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1094
- CABLE & WIRE FACILITIES	CWF	25,632,309	6,821,897	5,921,001	0	626,395	274,501	0	1094
-- C&WF CAT 1.1	CWF11	141,065	0	0	0	0	0	0	1094
-- C&WF CAT 1.2	CWF12	148,489	148,489	0	0	0	148,489	0	1094
-- C&WF CAT 1.3	CWF13	23,684,005	5,921,001	5,921,001	0	0	0	0	1094
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1094
-- C&WF CAT 3	CWF3	462,619	253,038	0	0	127,026	126,012	0	1094
-- C&WF CAT 4	CWF4	1,196,131	499,369	0	0	499,369	0	0	1094
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1094
- INTANGIBLES	INTANG	323	101	66	18	10	7	0	1094
TELCOM PLANT-OTHER	PLTOTH	1,161,174	364,687	238,527	64,264	36,564	25,332	0	1094
ACCUM DEPRECIATION	ACCDEP	14,337,628	4,447,079	2,978,163	757,588	429,321	282,007	0	1094
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1094
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1094
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1094
GENERAL SUPPORT EXP	GSFX	228,005	71,609	46,836	12,619	7,180	4,974	0	1094
COE EXPENSE	COEX	418,012	205,242	36,028	130,147	18,673	20,393	0	1094
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1094
C&WF EXPENSE	CWFX	625,175	166,387	144,414	0	15,278	6,695	0	1094
OTHER PROP & PL EXP	OTHPX	39,251	12,327	8,063	2,172	1,236	856	0	1094
NETWORK OPERATIONS EXP	NETOPX	136,365	42,828	28,012	7,547	4,294	2,975	0	1094
DEPREC & AMORT EXP	DEPAMX	3,027,567	1,092,867	547,055	340,158	112,046	93,608	0	1094
MARKETING EXPENSE	MRKTX	78,596	19,861	12,991	3,500	1,991	1,380	0	1094
SERVICES EXPENSE	SERVX	369,237	130,978	57,960	23,773	10,399	3,677	35,169	1094
- CABSX EXPENSE	CABSX	22,067	11,034	0	5,620	3,198	2,215	0	1094
EXEC & PLANNING EXP	EXEPLX	401,897	139,605	72,072	38,547	12,663	8,781	7,542	1094
GENERAL & ADMIN EXP	GENADX	602,819	293,416	151,478	81,016	26,614	18,456	15,850	1094
OTHER TAXES (EXCL FIT & ITC)	OTAXES	645,923	203,307	132,975	35,826	20,384	14,122	0	1094
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1094
NON-OPERATING INC & EXP	NONOPX	46,841	20,188	13,204	3,557	2,024	1,402	0	1094
INTEREST & RELATED ITEMS(IRI)	INTREL	803,624	253,082	165,531	44,597	25,374	17,579	0	1094

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	14,954	4,509	1,372	1,981	892	264	0	1095
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1095
- GENERAL SUPPORT FACILITIES	GSF	797,964	365,784	111,839	159,664	72,753	21,528	0	1095
- CENTRAL OFFICE EQUIPMENT	COE	2,707,857	1,944,521	46,290	1,438,906	458,667	658	0	1095
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1095
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1095
-- COE CAT 3	COE3	1,692,831	1,419,797	0	1,419,797	0	0	0	1095
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1095
-- COE CAT 4.12	COE412	1,014	0	0	0	0	0	0	1095
-- COE CAT 4.13	COE413	185,940	46,290	46,290	0	0	0	0	1095
-- COE CAT 4.2	COE42	743,844	420,755	0	0	420,097	658	0	1095
-- COE CAT 4.3	COE43	84,228	38,569	0	0	38,569	0	0	1095
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1095
- CABLE & WIRE FACILITIES	CWF	4,483,452	1,351,952	961,614	0	196,987	193,352	0	1095
-- C&WF CAT 1.1	CWF11	16,173	0	0	0	0	0	0	1095
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1095
-- C&WF CAT 1.3	CWF13	3,846,454	961,614	961,614	0	0	0	0	1095
-- C&WF CAT 2	CWF2	193,352	193,352	0	0	0	193,352	0	1095
-- C&WF CAT 3	CWF3	11,549	6,528	0	0	6,528	0	0	1095
-- C&WF CAT 4	CWF4	415,924	190,459	0	0	190,459	0	0	1095
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1095
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1095
TELCOM PLANT-OTHER	PLTOTH	207,253	95,004	28,897	41,747	18,798	5,562	0	1095
ACCUM DEPRECIATION	ACCDEP	5,978,167	2,848,482	815,124	1,428,382	446,460	158,516	0	1095
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1095
NET DEFERRED FIT	NTDFIT	257,205	121,911	35,458	60,910	18,632	6,911	0	1095
NETWORK SUPPORT EXP	NETSPX	10,035	4,600	1,399	2,021	910	269	0	1095
GENERAL SUPPORT EXP	GSFX	40,201	18,428	5,634	8,044	3,665	1,085	0	1095
COE EXPENSE	COEX	170,451	122,401	3,938	79,390	39,018	56	0	1095
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1095
C&WF EXPENSE	CWFX	141,886	42,785	30,432	0	6,234	6,119	0	1095
OTHER PROP & PL EXP	OTHPX	2,755	1,263	386	551	251	74	0	1095
NETWORK OPERATIONS EXP	NETOPX	117,490	53,857	16,467	23,509	10,712	3,170	0	1095
DEPREC & AMORT EXP	DEPAMX	553,611	302,329	60,476	192,225	37,960	11,668	0	1095
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1095
SERVICES EXPENSE	SERVX	110,695	37,995	4,663	7,670	1,869	553	23,239	1095
- CABSX EXPENSE	CABSX	13,159	6,580	0	4,157	1,869	553	0	1095
EXEC & PLANNING EXP	EXEPLX	162,596	77,320	19,202	32,247	16,674	3,014	6,184	1095
GENERAL & ADMIN EXP	GENADX	422,014	299,025	74,260	124,712	64,483	11,656	23,915	1095
OTHER TAXES (EXCL FIT & ITC)	OTAXES	116,817	54,275	17,119	21,727	12,154	3,276	0	1095
INVESTMENT TAX CREDITS (ITC)	ITC	11,703	5,365	1,632	2,357	1,061	314	0	1095
NON-OPERATING INC & EXP	NONOPX	2,874	1,850	563	813	366	108	0	1095
INTEREST & RELATED ITEMS(IRI)	INTREL	57,391	23,027	7,004	10,119	4,556	1,348	0	1095

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	0	0	0	0	0	0	0	1096
RTB STOCK	RTBSTK	78,702	24,246	17,745	3,813	813	1,874	0	1096
- GENERAL SUPPORT FACILITIES	GSF	136,375	42,013	30,749	6,607	1,409	3,247	0	1096
- CENTRAL OFFICE EQUIPMENT	COE	2,403,592	1,091,062	392,834	527,326	66,026	104,876	0	1096
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1096
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1096
-- COE CAT 3	COE3	620,384	527,326	0	527,326	0	0	0	1096
-- COE CAT 4.11	COE411	86,118	86,118	0	0	0	86,118	0	1096
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1096
-- COE CAT 4.13	COE413	1,590,635	410,888	392,834	0	0	18,054	0	1096
-- COE CAT 4.2	COE42	745	704	0	0	0	704	0	1096
-- COE CAT 4.3	COE43	105,710	66,026	0	0	66,026	0	0	1096
- INFORMATION ORIG/TERM	IOT	29,217	7,304	7,304	0	0	0	0	1096
- CABLE & WIRE FACILITIES	CWF	8,451,066	2,254,651	2,053,891	0	46,461	154,299	0	1096
-- C&WF CAT 1.1	CWF11	6,510	0	0	0	0	0	0	1096
-- C&WF CAT 1.2	CWF12	94,394	94,394	0	0	0	94,394	0	1096
-- C&WF CAT 1.3	CWF13	8,215,566	2,053,891	2,053,891	0	0	0	0	1096
-- C&WF CAT 2	CWF2	50,893	50,893	0	0	0	50,893	0	1096
-- C&WF CAT 3	CWF3	9,318	9,012	0	0	0	9,012	0	1096
-- C&WF CAT 4	CWF4	74,385	46,461	0	0	46,461	0	0	1096
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1096
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1096
TELCOM PLANT-OTHER	PLTOTH	88,569	27,286	19,970	4,291	915	2,109	0	1096
ACCUM DEPRECIATION	ACCDEP	4,078,081	1,308,707	897,715	275,534	41,024	94,433	0	1096
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1096
NET DEFERRED FIT	NTDFIT	453,502	139,880	102,183	22,240	4,675	10,781	0	1096
NETWORK SUPPORT EXP	NETSPX	2,418	745	545	117	25	58	0	1096
GENERAL SUPPORT EXP	GSFX	14,704	4,530	3,315	712	152	350	0	1096
COE EXPENSE	COEX	160,623	72,912	35,760	21,594	6,010	9,547	0	1096
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1096
C&WF EXPENSE	CWFX	291,555	77,784	70,858	0	1,603	5,323	0	1096
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1096
NETWORK OPERATIONS EXP	NETOPX	32,823	10,112	7,401	1,590	339	782	0	1096
DEPREC & AMORT EXP	DEPAMX	579,088	191,170	125,079	41,074	8,355	16,663	0	1096
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1096
SERVICES EXPENSE	SERVX	126,126	49,544	4,502	6,938	1,472	3,325	33,306	1096
- CABSX EXPENSE	CABSX	22,935	11,468	0	6,727	1,435	3,306	0	1096
EXEC & PLANNING EXP	EXEPLX	83,114	28,608	17,190	3,790	1,176	2,374	4,078	1096
GENERAL & ADMIN EXP	GENADX	176,892	80,879	48,598	10,715	3,324	6,711	11,530	1096
OTHER TAXES (EXCL FIT & ITC)	OTAXES	145,694	54,542	40,492	7,913	1,857	4,280	0	1096
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1096
NON-OPERATING INC & EXP	NONOPX	200	84	62	13	3	7	0	1096
INTEREST & RELATED ITEMS(IRI)	INTREL	201,318	60,432	44,229	9,504	2,027	4,671	0	1096

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	1,685	452	296	104	22	29	0	1097
RTB STOCK	RTBSTK	51,750	16,804	11,023	3,876	822	1,083	0	1097
- GENERAL SUPPORT FACILITIES	GSF	188,104	61,080	40,067	14,090	2,987	3,936	0	1097
- CENTRAL OFFICE EQUIPMENT	COE	1,361,341	737,195	158,945	492,195	32,791	53,264	0	1097
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1097
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1097
-- COE CAT 3	COE3	597,799	492,195	0	492,195	0	0	0	1097
-- COE CAT 4.11	COE411	36,811	36,811	0	0	0	36,811	0	1097
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1097
-- COE CAT 4.13	COE413	637,086	160,250	158,945	0	0	1,305	0	1097
-- COE CAT 4.2	COE42	15,148	15,148	0	0	0	15,148	0	1097
-- COE CAT 4.3	COE43	74,497	32,791	0	0	32,791	0	0	1097
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1097
- CABLE & WIRE FACILITIES	CWF	5,209,402	1,396,423	1,240,657	0	71,553	84,213	0	1097
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1097
-- C&WF CAT 1.2	CWF12	10,185	10,185	0	0	0	10,185	0	1097
-- C&WF CAT 1.3	CWF13	4,962,629	1,240,657	1,240,657	0	0	0	0	1097
-- C&WF CAT 2	CWF2	50,135	50,135	0	0	0	50,135	0	1097
-- C&WF CAT 3	CWF3	23,893	23,893	0	0	0	23,893	0	1097
-- C&WF CAT 4	CWF4	162,560	71,553	0	0	71,553	0	0	1097
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1097
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1097
TELCOM PLANT-OTHER	PLTOTH	505,845	164,255	107,748	37,891	8,033	10,584	0	1097
ACCUM DEPRECIATION	ACCDEP	2,309,175	811,037	465,841	266,177	34,205	44,814	0	1097
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1097
NET DEFERRED FIT	NTDFIT	704,961	228,912	150,160	52,807	11,195	14,750	0	1097
NETWORK SUPPORT EXP	NETSPX	11,949	3,880	2,545	895	190	250	0	1097
GENERAL SUPPORT EXP	GSFX	15,038	4,883	3,203	1,126	239	315	0	1097
COE EXPENSE	COEX	118,692	64,274	24,100	27,126	4,972	8,076	0	1097
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1097
C&WF EXPENSE	CWFX	246,889	66,181	58,798	0	3,391	3,991	0	1097
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1097
NETWORK OPERATIONS EXP	NETOPX	14,191	4,608	3,023	1,063	225	297	0	1097
DEPREC & AMORT EXP	DEPAMX	363,849	124,418	74,507	33,292	6,894	9,726	0	1097
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1097
SERVICES EXPENSE	SERVX	101,051	33,857	4,192	6,909	1,464	1,818	19,474	1097
- CABSX EXPENSE	CABSX	19,297	9,649	0	6,470	1,372	1,807	0	1097
EXEC & PLANNING EXP	EXEPLX	68,381	24,023	13,704	4,682	1,322	1,860	2,456	1097
GENERAL & ADMIN EXP	GENADX	172,332	82,114	46,841	16,002	4,518	6,357	8,395	1097
OTHER TAXES (EXCL FIT & ITC)	OTAXES	74,508	28,360	19,282	5,732	1,443	1,904	0	1097
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1097
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1097
INTEREST & RELATED ITEMS(IRI)	INTREL	48,705	15,121	9,919	3,488	740	974	0	1097

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	31,500	8,062	3,733	3,838	0	491	0	1098
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1098
- GENERAL SUPPORT FACILITIES	GSF	1,798,526	714,513	330,830	340,129	0	43,554	0	1098
- CENTRAL OFFICE EQUIPMENT	COE	2,716,080	1,621,431	253,712	1,239,434	0	128,285	0	1098
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1098
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1098
-- COE CAT 3	COE3	1,572,946	1,239,434	0	1,239,434	0	0	0	1098
-- COE CAT 4.11	COE411	120,175	120,175	0	0	0	120,175	0	1098
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1098
-- COE CAT 4.13	COE413	1,022,959	261,822	253,712	0	0	8,110	0	1098
-- COE CAT 4.2	COE42	0	0	0	0	0	0	0	1098
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1098
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1098
- CABLE & WIRE FACILITIES	CWF	3,837,766	982,261	951,835	0	0	30,426	0	1098
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1098
-- C&WF CAT 1.2	CWF12	30,426	30,426	0	0	0	30,426	0	1098
-- C&WF CAT 1.3	CWF13	3,807,340	951,835	951,835	0	0	0	0	1098
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1098
-- C&WF CAT 3	CWF3	0	0	0	0	0	0	0	1098
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1098
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1098
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1098
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1098
ACCUM DEPRECIATION	ACCDEP	2,557,269	1,013,428	471,577	479,813	0	62,038	0	1098
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1098
NET DEFERRED FIT	NTDFIT	502,032	199,147	92,490	94,453	0	12,203	0	1098
NETWORK SUPPORT EXP	NETSPX	85,371	33,916	15,704	16,145	0	2,067	0	1098
GENERAL SUPPORT EXP	GSFX	0	0	0	0	0	0	0	1098
COE EXPENSE	COEX	243,329	145,261	16,299	120,721	0	8,241	0	1098
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1098
C&WF EXPENSE	CWFX	405,109	103,686	100,474	0	0	3,212	0	1098
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1098
NETWORK OPERATIONS EXP	NETOPX	77,881	30,940	14,326	14,729	0	1,886	0	1098
DEPREC & AMORT EXP	DEPAMX	376,095	145,059	71,117	65,724	0	8,218	0	1098
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1098
SERVICES EXPENSE	SERVX	478,308	174,852	75,179	46,260	0	3,575	49,838	1098
- CABSX EXPENSE	CABSX	26,052	13,026	0	11,547	0	1,479	0	1098
EXEC & PLANNING EXP	EXEPLX	898,969	339,355	160,479	132,715	0	12,732	33,430	1098
GENERAL & ADMIN EXP	GENADX	150,293	56,735	26,829	22,188	0	2,129	5,589	1098
OTHER TAXES (EXCL FIT & ITC)	OTAXES	95,449	37,898	17,531	18,059	0	2,308	0	1098
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1098
NON-OPERATING INC & EXP	NONOPX	11,247	4,246	1,966	2,021	0	259	0	1098
INTEREST & RELATED ITEMS(IRI)	INTREL	27,734	11,033	5,108	5,252	0	673	0	1098

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	166,543	47,294	22,402	9,113	7,867	7,912	0	1099
RTB STOCK	RTBSTK	291,054	94,335	44,684	18,177	15,692	15,781	0	1099
- GENERAL SUPPORT FACILITIES	GSF	6,171,773	2,000,363	947,530	385,442	332,757	334,634	0	1099
- CENTRAL OFFICE EQUIPMENT	COE	19,400,454	7,961,598	1,383,905	3,815,544	1,314,076	1,448,073	0	1099
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1099
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1099
-- COE CAT 3	COE3	7,912,454	3,815,544	0	3,815,544	0	0	0	1099
-- COE CAT 4.11	COE411	517,366	492,277	0	0	0	492,277	0	1099
-- COE CAT 4.12	COE412	407,186	0	0	0	0	0	0	1099
-- COE CAT 4.13	COE413	5,723,658	1,469,216	1,383,905	0	0	85,311	0	1099
-- COE CAT 4.2	COE42	2,321,573	1,441,738	0	0	571,252	870,485	0	1099
-- COE CAT 4.3	COE43	2,518,217	742,824	0	0	742,824	0	0	1099
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1099
- CABLE & WIRE FACILITIES	CWF	41,694,717	11,840,253	7,995,815	0	1,979,924	1,864,514	0	1099
-- C&WF CAT 1.1	CWF11	593,538	0	0	0	0	0	0	1099
-- C&WF CAT 1.2	CWF12	492,903	492,903	0	0	0	492,903	0	1099
-- C&WF CAT 1.3	CWF13	31,983,260	7,995,815	7,995,815	0	0	0	0	1099
-- C&WF CAT 2	CWF2	1,234,330	1,002,883	0	0	0	1,002,883	0	1099
-- C&WF CAT 3	CWF3	3,575,207	1,223,161	0	0	854,434	368,728	0	1099
-- C&WF CAT 4	CWF4	3,815,479	1,125,490	0	0	1,125,490	0	0	1099
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1099
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1099
TELCOM PLANT-OTHER	PLTOTH	7,003,545	2,269,953	1,075,229	437,389	377,602	379,733	0	1099
ACCUM DEPRECIATION	ACCDEP	33,984,070	11,189,967	5,051,360	2,343,308	1,883,929	1,911,371	0	1099
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1099
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1099
NETWORK SUPPORT EXP	NETSPX	12,619	4,090	1,937	788	680	684	0	1099
GENERAL SUPPORT EXP	GSFX	280,087	90,780	43,001	17,492	15,101	15,186	0	1099
COE EXPENSE	COEX	942,120	386,629	36,586	277,021	34,740	38,282	0	1099
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1099
C&WF EXPENSE	CWFX	1,356,811	385,300	260,196	0	64,430	60,674	0	1099
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1099
NETWORK OPERATIONS EXP	NETOPX	554,312	179,661	85,102	34,618	29,886	30,055	0	1099
DEPREC & AMORT EXP	DEPAMX	3,993,358	1,356,709	553,523	352,958	222,350	227,879	0	1099
MARKETING EXPENSE	MRKTX	117,076	30,420	14,409	5,862	5,060	5,089	0	1099
SERVICES EXPENSE	SERVX	1,138,041	492,675	199,881	81,358	61,442	5,064	144,930	1099
- CABSX EXPENSE	CABSX	31,695	15,848	0	5,802	5,009	5,037	0	1099
EXEC & PLANNING EXP	EXEPLX	347,926	124,887	56,123	30,895	15,653	11,482	10,734	1099
GENERAL & ADMIN EXP	GENADX	1,099,312	412,336	185,301	102,004	51,680	37,911	35,440	1099
OTHER TAXES (EXCL FIT & ITC)	OTAXES	937,774	298,818	141,544	57,578	49,708	49,988	0	1099
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1099
NON-OPERATING INC & EXP	NONOPX	2,131	791	375	152	132	132	0	1099
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1099

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COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	97,310	25,308	14,372	8,329	1,295	1,311	0	1100
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1100
- GENERAL SUPPORT FACILITIES	GSF	862,623	306,255	173,922	100,795	15,674	15,864	0	1100
- CENTRAL OFFICE EQUIPMENT	COE	3,755,815	1,893,869	508,805	1,128,542	128,828	127,693	0	1100
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1100
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1100
-- COE CAT 3	COE3	1,327,697	1,128,542	0	1,128,542	0	0	0	1100
-- COE CAT 4.11	COE411	13,439	13,439	0	0	0	13,439	0	1100
-- COE CAT 4.12	COE412	29,207	0	0	0	0	0	0	1100
-- COE CAT 4.13	COE413	2,040,337	513,922	508,805	0	0	5,117	0	1100
-- COE CAT 4.2	COE42	345,135	237,966	0	0	128,828	109,137	0	1100
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1100
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1100
- CABLE & WIRE FACILITIES	CWF	5,902,467	1,535,086	1,438,496	0	46,660	49,931	0	1100
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1100
-- C&WF CAT 1.2	CWF12	14,466	14,466	0	0	0	14,466	0	1100
-- C&WF CAT 1.3	CWF13	5,753,984	1,438,496	1,438,496	0	0	0	0	1100
-- C&WF CAT 2	CWF2	53,797	34,565	0	0	0	34,565	0	1100
-- C&WF CAT 3	CWF3	80,220	47,559	0	0	46,660	899	0	1100
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1100
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1100
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1100
TELCOM PLANT-OTHER	PLTOTH	1,677,689	595,626	338,255	196,033	30,483	30,854	0	1100
ACCUM DEPRECIATION	ACCDEP	3,756,724	1,331,394	760,318	448,958	60,560	61,556	0	1100
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1100
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1100
NETWORK SUPPORT EXP	NETSPX	7,085	2,515	1,428	828	129	130	0	1100
GENERAL SUPPORT EXP	GSFX	70,124	24,896	14,138	8,194	1,274	1,290	0	1100
COE EXPENSE	COEX	223,839	112,871	29,831	46,604	28,949	7,487	0	1100
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1100
C&WF EXPENSE	CWFX	407,651	106,020	99,349	0	3,223	3,448	0	1100
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1100
NETWORK OPERATIONS EXP	NETOPX	124,167	44,083	25,035	14,509	2,256	2,284	0	1100
DEPREC & AMORT EXP	DEPAMX	610,847	238,587	113,161	95,526	14,936	14,963	0	1100
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1100
SERVICES EXPENSE	SERVX	315,985	104,768	37,480	25,052	3,895	2,584	35,756	1100
- CABSX EXPENSE	CABSX	43,050	21,525	0	16,395	2,549	2,580	0	1100
EXEC & PLANNING EXP	EXEPLX	221,618	76,050	40,284	18,119	7,562	3,278	6,806	1100
GENERAL & ADMIN EXP	GENADX	792,248	288,775	152,966	68,802	28,714	12,449	25,845	1100
OTHER TAXES (EXCL FIT & ITC)	OTAXES	100,292	49,217	27,912	16,102	2,587	2,616	0	1100
INVESTMENT TAX CREDITS (ITC)	ITC	4,824	1,713	973	564	88	89	0	1100
NON-OPERATING INC & EXP	NONOPX	15,707	5,652	3,210	1,860	289	293	0	1100
INTEREST & RELATED ITEMS(IRI)	INTREL	227,621	80,628	45,789	26,536	4,126	4,177	0	1100

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	147,331	40,631	21,531	12,987	1,682	4,431	0	1101
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1101
- GENERAL SUPPORT FACILITIES	GSF	1,431,672	530,781	281,270	169,656	21,967	57,888	0	1101
- CENTRAL OFFICE EQUIPMENT	COE	2,872,953	1,879,246	199,736	1,356,395	134,311	188,804	0	1101
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1101
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1101
-- COE CAT 3	COE3	1,595,759	1,356,395	0	1,356,395	0	0	0	1101
-- COE CAT 4.11	COE411	117,640	117,640	0	0	0	117,640	0	1101
-- COE CAT 4.12	COE412	25,057	0	0	0	0	0	0	1101
-- COE CAT 4.13	COE413	825,170	224,788	199,736	0	0	25,053	0	1101
-- COE CAT 4.2	COE42	309,327	180,423	0	0	134,311	46,112	0	1101
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1101
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1101
- CABLE & WIRE FACILITIES	CWF	8,573,232	2,364,335	2,049,012	0	41,314	274,010	0	1101
-- C&WF CAT 1.1	CWF11	12,047	0	0	0	0	0	0	1101
-- C&WF CAT 1.2	CWF12	257,005	257,005	0	0	0	257,005	0	1101
-- C&WF CAT 1.3	CWF13	8,196,046	2,049,012	2,049,012	0	0	0	0	1101
-- C&WF CAT 2	CWF2	9,474	0	0	0	0	0	0	1101
-- C&WF CAT 3	CWF3	98,660	58,318	0	0	41,314	17,005	0	1101
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1101
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1101
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1101
TELCOM PLANT-OTHER	PLTOTH	2,500	927	491	296	38	101	0	1101
ACCUM DEPRECIATION	ACCDEP	4,730,710	1,822,692	900,008	656,940	74,846	190,899	0	1101
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1101
NET DEFERRED FIT	NTDFIT	1,273,882	472,281	250,270	150,957	19,546	51,508	0	1101
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1101
GENERAL SUPPORT EXP	GSFX	176,077	65,279	34,593	20,865	2,702	7,119	0	1101
COE EXPENSE	COEX	464,097	303,574	48,659	176,197	32,721	45,996	0	1101
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1101
C&WF EXPENSE	CWFX	500,623	138,062	119,649	0	2,412	16,000	0	1101
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1101
NETWORK OPERATIONS EXP	NETOPX	458,516	169,991	90,081	54,335	7,035	18,540	0	1101
DEPREC & AMORT EXP	DEPAMX	738,478	291,302	136,301	102,518	16,788	35,695	0	1101
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1101
SERVICES EXPENSE	SERVX	415,460	207,599	69,113	43,338	5,602	3,539	86,007	1101
- CABSX EXPENSE	CABSX	30,259	15,130	0	10,287	1,332	3,510	0	1101
EXEC & PLANNING EXP	EXEPLX	283,652	126,380	54,603	40,496	6,935	12,530	11,817	1101
GENERAL & ADMIN EXP	GENADX	343,161	172,918	74,709	55,408	9,488	17,144	16,169	1101
OTHER TAXES (EXCL FIT & ITC)	OTAXES	60,819	22,828	11,805	7,626	942	2,455	0	1101
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1101
NON-OPERATING INC & EXP	NONOPX	58,280	27,828	14,747	8,895	1,152	3,035	0	1101
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1101

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	130,194	33,512	24,975	4,258	1,588	2,667	24	1102
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1102
- GENERAL SUPPORT FACILITIES	GSF	2,810,792	805,761	597,063	101,786	37,967	63,759	5,186	1102
- CENTRAL OFFICE EQUIPMENT	COE	7,425,284	2,554,668	1,253,394	801,221	184,140	315,914	0	1102
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1102
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1102
-- COE CAT 3	COE3	1,404,065	801,221	0	801,221	0	0	0	1102
-- COE CAT 4.11	COE411	158,133	158,133	0	0	0	158,133	0	1102
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1102
-- COE CAT 4.13	COE413	5,092,258	1,277,774	1,253,394	0	0	24,381	0	1102
-- COE CAT 4.2	COE42	770,828	317,539	0	0	184,140	133,400	0	1102
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1102
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1102
- CABLE & WIRE FACILITIES	CWF	14,557,856	3,747,172	3,446,472	0	114,725	185,975	0	1102
-- C&WF CAT 1.1	CWF11	149,317	0	0	0	0	0	0	1102
-- C&WF CAT 1.2	CWF12	67,040	67,040	0	0	0	67,040	0	1102
-- C&WF CAT 1.3	CWF13	13,785,887	3,446,472	3,446,472	0	0	0	0	1102
-- C&WF CAT 2	CWF2	181,975	87,032	0	0	0	87,032	0	1102
-- C&WF CAT 3	CWF3	373,637	146,628	0	0	114,725	31,903	0	1102
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1102
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1102
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1102
TELCOM PLANT-OTHER	PLTOTH	143,387	41,074	30,633	5,222	1,948	3,271	0	1102
ACCUM DEPRECIATION	ACCDEP	11,979,921	3,412,612	2,572,818	346,207	182,624	307,902	3,061	1102
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1102
NET DEFERRED FIT	NTDFIT	2,298,461	658,411	491,037	83,712	31,225	52,437	0	1102
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1102
GENERAL SUPPORT EXP	GSFX	64,308	18,435	13,660	2,329	869	1,459	119	1102
COE EXPENSE	COEX	410,730	141,312	31,495	85,363	16,515	7,938	0	1102
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1102
C&WF EXPENSE	CWFX	309,002	79,537	73,154	0	2,435	3,947	0	1102
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1102
NETWORK OPERATIONS EXP	NETOPX	424,490	121,687	90,753	15,471	5,771	9,691	0	1102
DEPREC & AMORT EXP	DEPAMX	1,395,703	412,905	287,740	57,983	24,827	42,111	244	1102
MARKETING EXPENSE	MRKTX	38,277	8,828	6,579	1,122	418	703	6	1102
SERVICES EXPENSE	SERVX	225,206	66,535	29,838	6,868	2,562	3,311	23,957	1102
- CABSX EXPENSE	CABSX	20,860	10,430	0	5,217	1,946	3,268	0	1102
EXEC & PLANNING EXP	EXEPLX	332,503	98,709	58,178	23,605	6,067	5,744	5,114	1102
GENERAL & ADMIN EXP	GENADX	713,701	238,101	140,334	56,939	14,635	13,856	12,336	1102
OTHER TAXES (EXCL FIT & ITC)	OTAXES	323,683	112,860	83,890	15,130	5,164	8,661	15	1102
INVESTMENT TAX CREDITS (ITC)	ITC	14,081	4,034	3,008	513	191	321	0	1102
NON-OPERATING INC & EXP	NONOPX	11,162	3,593	2,678	457	170	286	3	1102
INTEREST & RELATED ITEMS(IRI)	INTREL	17,993	5,188	3,866	659	246	413	4	1102

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	235,278	64,837	44,727	4,268	3,542	12,300	0	1103
RTB STOCK	RTBSTK	226,200	70,414	48,574	4,635	3,847	13,358	0	1103
- GENERAL SUPPORT FACILITIES	GSF	3,181,293	990,312	683,152	65,190	54,098	187,871	0	1103
- CENTRAL OFFICE EQUIPMENT	COE	7,305,924	2,828,470	1,212,728	467,686	282,563	865,493	0	1103
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1103
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1103
-- COE CAT 3	COE3	964,850	467,686	0	467,686	0	0	0	1103
-- COE CAT 4.11	COE411	217,255	217,255	0	0	0	217,255	0	1103
-- COE CAT 4.12	COE412	9,405	0	0	0	0	0	0	1103
-- COE CAT 4.13	COE413	4,916,706	1,261,313	1,212,728	0	0	48,585	0	1103
-- COE CAT 4.2	COE42	1,197,708	882,216	0	0	282,563	599,653	0	1103
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1103
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1103
- CABLE & WIRE FACILITIES	CWF	15,517,287	4,276,217	3,688,339	0	105,548	482,331	0	1103
-- C&WF CAT 1.1	CWF11	52,333	0	0	0	0	0	0	1103
-- C&WF CAT 1.2	CWF12	147,764	147,764	0	0	0	147,764	0	1103
-- C&WF CAT 1.3	CWF13	14,753,354	3,688,339	3,688,339	0	0	0	0	1103
-- C&WF CAT 2	CWF2	288,409	288,409	0	0	0	288,409	0	1103
-- C&WF CAT 3	CWF3	275,426	151,705	0	0	105,548	46,157	0	1103
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1103
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1103
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1103
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1103
ACCUM DEPRECIATION	ACCDEP	9,726,957	3,301,971	1,912,540	356,974	243,622	788,834	0	1103
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1103
NET DEFERRED FIT	NTDFIT	1,939,166	610,008	405,783	66,504	30,575	107,147	0	1103
NETWORK SUPPORT EXP	NETSPX	5,148	1,603	1,105	105	88	304	0	1103
GENERAL SUPPORT EXP	GSFX	124,725	38,826	26,784	2,556	2,121	7,366	0	1103
COE EXPENSE	COEX	317,464	122,905	26,482	71,353	6,170	18,900	0	1103
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1103
C&WF EXPENSE	CWFX	237,176	65,360	56,375	0	1,613	7,372	0	1103
OTHER PROP & PL EXP	OTHPX	15,767	4,908	3,386	323	268	931	0	1103
NETWORK OPERATIONS EXP	NETOPX	222,621	74,446	51,356	4,901	4,067	14,123	0	1103
DEPREC & AMORT EXP	DEPAMX	1,449,460	482,925	288,298	56,993	32,051	105,583	0	1103
MARKETING EXPENSE	MRKTX	32,878	9,850	6,795	648	538	1,869	0	1103
SERVICES EXPENSE	SERVX	254,407	89,423	47,485	5,997	4,013	11,813	20,114	1103
- CABSX EXPENSE	CABSX	21,722	10,861	0	2,305	1,913	6,643	0	1103
EXEC & PLANNING EXP	EXEPLX	247,949	84,312	48,413	16,438	3,613	11,997	3,850	1103
GENERAL & ADMIN EXP	GENADX	654,839	264,594	151,935	51,588	11,340	37,649	12,082	1103
OTHER TAXES (EXCL FIT & ITC)	OTAXES	437,865	133,688	97,783	6,374	6,418	23,112	0	1103
INVESTMENT TAX CREDITS (ITC)	ITC	14,604	4,546	3,136	299	248	862	0	1103
NON-OPERATING INC & EXP	NONOPX	118,703	45,876	31,647	3,020	2,506	8,703	0	1103
INTEREST & RELATED ITEMS(IRI)	INTREL	423,222	123,487	85,186	8,129	6,746	23,427	0	1103

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	103,273	27,282	22,232	1,376	903	2,772	0	1104
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1104
- GENERAL SUPPORT FACILITIES	GSF	1,820,222	516,195	420,633	26,032	17,085	52,445	0	1104
- CENTRAL OFFICE EQUIPMENT	COE	2,669,636	874,883	578,667	124,282	9,217	162,717	0	1104
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1104
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1104
-- COE CAT 3	COE3	146,215	121,669	0	121,669	0	0	0	1104
-- COE CAT 4.11	COE411	128,635	128,635	0	0	0	128,635	0	1104
-- COE CAT 4.12	COE412	2,001	0	0	0	0	0	0	1104
-- COE CAT 4.13	COE413	2,370,068	611,561	578,667	0	0	32,894	0	1104
-- COE CAT 4.2	COE42	19,954	10,405	0	0	9,217	1,188	0	1104
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1104
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1104
- CABLE & WIRE FACILITIES	CWF	6,203,180	1,638,738	1,471,740	0	74,067	92,932	0	1104
-- C&WF CAT 1.1	CWF11	57,240	0	0	0	0	0	0	1104
-- C&WF CAT 1.2	CWF12	83,659	83,659	0	0	0	83,659	0	1104
-- C&WF CAT 1.3	CWF13	5,886,958	1,471,740	1,471,740	0	0	0	0	1104
-- C&WF CAT 2	CWF2	15,507	0	0	0	0	0	0	1104
-- C&WF CAT 3	CWF3	159,815	83,340	0	0	74,067	9,273	0	1104
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1104
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1104
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1104
TELCOM PLANT-OTHER	PLTOTH	41,643	11,810	9,623	596	391	1,200	0	1104
ACCUM DEPRECIATION	ACCDEP	6,012,527	1,752,588	1,374,360	120,788	50,156	207,284	0	1104
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1104
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1104
NETWORK SUPPORT EXP	NETSPX	22,559	6,397	5,213	323	212	650	0	1104
GENERAL SUPPORT EXP	GSFX	92,505	26,233	21,377	1,323	868	2,665	0	1104
COE EXPENSE	COEX	62,411	20,514	5,451	13,443	87	1,533	0	1104
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1104
C&WF EXPENSE	CWFX	64,233	16,969	15,240	0	767	962	0	1104
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1104
NETWORK OPERATIONS EXP	NETOPX	81,869	23,217	18,919	1,171	768	2,359	0	1104
DEPREC & AMORT EXP	DEPAMX	861,670	307,609	173,814	102,105	6,506	25,183	0	1104
MARKETING EXPENSE	MRKTX	6,849	3,950	3,218	199	131	401	0	1104
SERVICES EXPENSE	SERVX	136,234	69,710	19,232	28,012	1,708	4,263	16,495	1104
- CABSX EXPENSE	CABSX	11,971	5,986	0	1,631	1,070	3,285	0	1104
EXEC & PLANNING EXP	EXEPLX	107,245	40,983	22,974	10,223	1,044	2,950	3,792	1104
GENERAL & ADMIN EXP	GENADX	459,431	200,668	112,489	50,055	5,111	14,446	18,567	1104
OTHER TAXES (EXCL FIT & ITC)	OTAXES	121,547	34,645	28,231	1,747	1,147	3,520	0	1104
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1104
NON-OPERATING INC & EXP	NONOPX	52,846	22,535	18,363	1,136	746	2,290	0	1104
INTEREST & RELATED ITEMS(IRI)	INTREL	165,113	45,130	36,775	2,276	1,494	4,585	0	1104

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	305,152	87,827	23,968	39,196	23,909	754	0	1105
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1105
- GENERAL SUPPORT FACILITIES	GSF	1,234,570	569,110	152,003	248,125	153,088	3,774	12,119	1105
- CENTRAL OFFICE EQUIPMENT	COE	3,488,898	2,440,339	74,965	1,713,873	650,602	898	0	1105
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1105
-- COE CAT 2	COE2	572,876	468,126	0	0	468,126	0	0	1105
-- COE CAT 3	COE3	2,341,968	1,713,873	0	1,713,873	0	0	0	1105
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1105
-- COE CAT 4.12	COE412	5,801	0	0	0	0	0	0	1105
-- COE CAT 4.13	COE413	301,173	75,621	74,965	0	0	656	0	1105
-- COE CAT 4.2	COE42	267,080	182,718	0	0	182,477	242	0	1105
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1105
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1105
- CABLE & WIRE FACILITIES	CWF	4,857,033	1,406,952	974,962	0	406,820	25,170	0	1105
-- C&WF CAT 1.1	CWF11	8,534	0	0	0	0	0	0	1105
-- C&WF CAT 1.2	CWF12	8,534	8,534	0	0	0	8,534	0	1105
-- C&WF CAT 1.3	CWF13	3,899,848	974,962	974,962	0	0	0	0	1105
-- C&WF CAT 2	CWF2	190,596	0	0	0	0	0	0	1105
-- C&WF CAT 3	CWF3	749,522	423,457	0	0	406,820	16,636	0	1105
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1105
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1105
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1105
TELCOM PLANT-OTHER	PLTOTH	338,874	155,212	42,357	69,268	42,255	1,332	0	1105
ACCUM DEPRECIATION	ACCDEP	5,368,256	2,520,686	653,205	1,120,222	724,104	15,865	7,289	1105
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1105
NET DEFERRED FIT	NTDFIT	718,910	336,591	87,476	150,019	96,971	2,125	0	1105
NETWORK SUPPORT EXP	NETSPX	178,460	82,266	22,389	36,547	22,549	556	226	1105
GENERAL SUPPORT EXP	GSFX	151,797	69,975	18,690	30,508	18,823	464	1,490	1105
COE EXPENSE	COEX	119,705	83,729	5,533	50,790	27,340	66	0	1105
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1105
C&WF EXPENSE	CWFX	388,126	112,430	77,909	0	32,509	2,011	0	1105
OTHER PROP & PL EXP	OTHPPX	6,615	3,049	832	1,358	838	21	0	1105
NETWORK OPERATIONS EXP	NETOPX	391,852	180,635	49,295	80,469	49,647	1,224	0	1105
DEPREC & AMORT EXP	DEPAMX	517,386	254,897	57,737	122,711	72,400	1,389	660	1105
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1105
SERVICES EXPENSE	SERVX	938,952	162,281	13,217	35,401	21,301	525	91,837	1105
- CABSX EXPENSE	CABSX	106,175	53,087	0	32,525	20,067	495	0	1105
EXEC & PLANNING EXP	EXEPLX	15,448	4,695	1,270	1,590	1,170	33	633	1105
GENERAL & ADMIN EXP	GENADX	767,715	285,514	77,248	96,659	71,138	2,001	38,468	1105
OTHER TAXES (EXCL FIT & ITC)	OTAXES	136,726	62,855	17,153	28,000	17,276	426	0	1105
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1105
NON-OPERATING INC & EXP	NONOPX	1,719	730	199	324	200	5	2	1105
INTEREST & RELATED ITEMS(IRI)	INTREL	182,276	79,422	21,615	35,284	21,769	537	218	1105

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	18,057	4,783	2,051	2,061	158	513	0	1106
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1106
- GENERAL SUPPORT FACILITIES	GSF	1,486,347	588,520	252,374	253,572	19,394	63,180	0	1106
- CENTRAL OFFICE EQUIPMENT	COE	2,313,271	1,337,265	152,841	942,960	68,268	173,196	0	1106
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1106
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1106
-- COE CAT 3	COE3	1,329,806	942,960	0	942,960	0	0	0	1106
-- COE CAT 4.11	COE411	73,612	73,612	0	0	0	73,612	0	1106
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1106
-- COE CAT 4.13	COE413	611,362	152,841	152,841	0	0	0	0	1106
-- COE CAT 4.2	COE42	135,878	114,302	0	0	14,718	99,584	0	1106
-- COE CAT 4.3	COE43	162,613	53,550	0	0	53,550	0	0	1106
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1106
- CABLE & WIRE FACILITIES	CWF	3,214,013	851,267	785,663	0	3,851	61,753	0	1106
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1106
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1106
-- C&WF CAT 1.3	CWF13	3,142,651	785,663	785,663	0	0	0	0	1106
-- C&WF CAT 2	CWF2	61,753	61,753	0	0	0	61,753	0	1106
-- C&WF CAT 3	CWF3	9,015	3,656	0	0	3,656	0	0	1106
-- C&WF CAT 4	CWF4	594	196	0	0	196	0	0	1106
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1106
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1106
TELCOM PLANT-OTHER	PLTOTH	113,996	45,137	19,356	19,448	1,487	4,846	0	1106
ACCUM DEPRECIATION	ACCDEP	3,598,281	1,446,558	599,476	656,547	44,411	146,123	0	1106
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1106
NET DEFERRED FIT	NTDFIT	730,806	289,363	124,087	124,676	9,536	31,064	0	1106
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1106
GENERAL SUPPORT EXP	GSFX	32,566	12,895	5,530	5,556	425	1,384	0	1106
COE EXPENSE	COEX	200,108	115,679	16,333	60,359	20,479	18,508	0	1106
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1106
C&WF EXPENSE	CWFX	355,423	94,138	86,883	0	426	6,829	0	1106
OTHER PROP & PL EXP	OTHPX	5,826	2,307	989	994	76	248	0	1106
NETWORK OPERATIONS EXP	NETOPX	126,080	49,921	21,408	21,509	1,645	5,359	0	1106
DEPREC & AMORT EXP	DEPAMX	624,786	288,464	82,890	163,104	10,901	31,568	0	1106
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1106
SERVICES EXPENSE	SERVX	229,528	95,876	15,055	42,272	3,233	8,514	26,801	1106
- CABSX EXPENSE	CABSX	90,285	45,143	0	34,053	2,604	8,485	0	1106
EXEC & PLANNING EXP	EXEPLX	80,237	31,316	12,347	11,037	2,220	3,449	2,263	1106
GENERAL & ADMIN EXP	GENADX	427,266	186,860	73,671	65,857	13,245	20,581	13,506	1106
OTHER TAXES (EXCL FIT & ITC)	OTAXES	61,206	31,272	13,641	13,105	1,067	3,459	0	1106
INVESTMENT TAX CREDITS (ITC)	ITC	4,275	1,693	726	729	56	182	0	1106
NON-OPERATING INC & EXP	NONOPX	176	76	32	33	2	8	0	1106
INTEREST & RELATED ITEMS(IRI)	INTREL	14,126	5,472	2,347	2,358	180	587	0	1106

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	29,611	9,114	3,733	3,129	2,246	6	0	1107
RTB STOCK	RTBSTK	412,978	155,822	63,816	53,505	38,405	97	0	1107
- GENERAL SUPPORT FACILITIES	GSF	2,163,046	816,147	334,246	280,240	201,153	508	0	1107
- CENTRAL OFFICE EQUIPMENT	COE	7,573,477	3,977,520	605,500	3,064,597	306,948	476	0	1107
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1107
-- COE CAT 2	COE2	196,022	107,291	0	0	107,291	0	0	1107
-- COE CAT 3	COE3	4,474,959	3,063,182	0	3,063,182	0	0	0	1107
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1107
-- COE CAT 4.12	COE412	36,712	0	0	0	0	0	0	1107
-- COE CAT 4.13	COE413	2,439,007	605,500	605,500	0	0	0	0	1107
-- COE CAT 4.2	COE42	382,722	179,095	0	1,415	177,204	476	0	1107
-- COE CAT 4.3	COE43	44,054	22,452	0	0	22,452	0	0	1107
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1107
- CABLE & WIRE FACILITIES	CWF	16,169,759	4,981,133	3,063,440	11,533	1,901,064	5,096	0	1107
-- C&WF CAT 1.1	CWF11	86,048	0	0	0	0	0	0	1107
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1107
-- C&WF CAT 1.3	CWF13	12,253,760	3,063,440	3,063,440	0	0	0	0	1107
-- C&WF CAT 2	CWF2	197,177	0	0	0	0	0	0	1107
-- C&WF CAT 3	CWF3	2,737,030	1,461,175	0	11,533	1,444,546	5,096	0	1107
-- C&WF CAT 4	CWF4	895,744	456,518	0	0	456,518	0	0	1107
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1107
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1107
TELCOM PLANT-OTHER	PLTOTH	1,467	554	227	190	136	0	0	1107
ACCUM DEPRECIATION	ACCDEP	12,677,218	5,481,093	1,601,113	2,858,671	1,018,871	2,438	0	1107
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1107
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1107
NETWORK SUPPORT EXP	NETSPX	71,395	26,938	11,032	9,250	6,639	17	0	1107
GENERAL SUPPORT EXP	GSFX	108,872	41,079	16,824	14,105	10,125	26	0	1107
COE EXPENSE	COEX	240,783	126,689	1,132	120,946	4,609	1	0	1107
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1107
C&WF EXPENSE	CWFX	212,498	65,461	40,259	152	24,983	67	0	1107
OTHER PROP & PL EXP	OTHPX	16,316	6,156	2,521	2,114	1,517	4	0	1107
NETWORK OPERATIONS EXP	NETOPX	293,681	110,810	45,381	38,049	27,311	69	0	1107
DEPREC & AMORT EXP	DEPAMX	1,567,259	653,019	211,040	317,203	124,479	298	0	1107
MARKETING EXPENSE	MRKTX	42	0	0	0	0	0	0	1107
SERVICES EXPENSE	SERVX	187,963	54,832	1,961	1,309	939	17,388	33,235	1107
- CABSX EXPENSE	CABSX	3,860	1,931	0	1,123	806	2	0	1107
EXEC & PLANNING EXP	EXEPLX	446,404	170,815	50,953	71,232	29,165	6,732	12,733	1107
GENERAL & ADMIN EXP	GENADX	252,316	143,291	42,743	59,755	24,465	5,647	10,681	1107
OTHER TAXES (EXCL FIT & ITC)	OTAXES	175,587	66,251	27,133	22,749	16,329	41	0	1107
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1107
NON-OPERATING INC & EXP	NONOPX	600	270	110	93	66	0	0	1107
INTEREST & RELATED ITEMS(IRI)	INTREL	285,905	93,272	38,199	32,027	22,989	58	0	1107

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	86,650	21,887	8,838	10,334	2,443	201	71	1108
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1108
- GENERAL SUPPORT FACILITIES	GSF	10,449,069	3,818,519	1,533,036	1,792,536	423,800	34,786	34,360	1108
- CENTRAL OFFICE EQUIPMENT	COE	13,287,195	6,749,676	492,372	5,199,179	1,011,252	33,183	13,691	1108
-- COE CAT 1	COE1	165,306	40,122	0	26,431	0	0	13,691	1108
-- COE CAT 2	COE2	105,843	50,984	0	0	50,984	0	0	1108
-- COE CAT 3	COE3	7,138,705	5,172,748	0	5,172,748	0	0	0	1108
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1108
-- COE CAT 4.12	COE412	188,830	0	0	0	0	0	0	1108
-- COE CAT 4.13	COE413	2,005,019	500,219	492,372	0	0	7,847	0	1108
-- COE CAT 4.2	COE42	3,683,492	985,603	0	0	960,268	25,335	0	1108
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1108
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1108
- CABLE & WIRE FACILITIES	CWF	16,785,682	4,239,814	3,954,138	0	217,962	67,714	0	1108
-- C&WF CAT 1.1	CWF11	222,325	0	0	0	0	0	0	1108
-- C&WF CAT 1.2	CWF12	63,021	63,021	0	0	0	63,021	0	1108
-- C&WF CAT 1.3	CWF13	15,816,551	3,954,138	3,954,138	0	0	0	0	1108
-- C&WF CAT 2	CWF2	43,613	0	0	0	0	0	0	1108
-- C&WF CAT 3	CWF3	640,172	222,655	0	0	217,962	4,693	0	1108
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1108
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1108
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1108
TELCOM PLANT-OTHER	PLTOTH	64,867	23,628	9,572	11,193	2,646	217	0	1108
ACCUM DEPRECIATION	ACCDEP	27,910,654	10,870,622	3,795,580	5,836,201	1,117,205	87,563	34,073	1108
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1108
NET DEFERRED FIT	NTDFIT	679,618	243,335	103,704	110,665	26,663	2,303	0	1108
NETWORK SUPPORT EXP	NETSPX	323,749	118,311	47,775	55,862	13,207	1,084	384	1108
GENERAL SUPPORT EXP	GSFX	5,883,613	2,150,114	863,215	1,009,333	238,631	19,587	19,347	1108
COE EXPENSE	COEX	914,311	464,481	21,289	396,330	45,427	1,435	0	1108
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1108
C&WF EXPENSE	CWFX	2,778,869	701,901	654,607	0	36,084	11,210	0	1108
OTHER PROP & PL EXP	OTHPXX	6,395	2,337	946	1,106	261	21	3	1108
NETWORK OPERATIONS EXP	NETOPX	776,618	283,808	114,833	134,271	31,745	2,606	354	1108
DEPREC & AMORT EXP	DEPAMX	2,438,929	968,949	317,740	538,997	101,286	7,523	3,402	1108
MARKETING EXPENSE	MRKTX	42,650	13,119	5,297	6,194	1,464	120	43	1108
SERVICES EXPENSE	SERVX	936,466	162,221	25,085	59,418	2,757	113	74,848	1108
- CABSX EXPENSE	CABSX	11,838	5,920	0	4,714	1,114	91	0	1108
EXEC & PLANNING EXP	EXEPLX	744,544	222,114	100,454	93,499	20,785	2,035	5,342	1108
GENERAL & ADMIN EXP	GENADX	1,263,747	410,910	185,840	172,973	38,452	3,764	9,882	1108
OTHER TAXES (EXCL FIT & ITC)	OTAXES	658,956	266,670	114,074	119,019	30,853	2,574	150	1108
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1108
NON-OPERATING INC & EXP	NONOPX	35,975	11,340	4,579	5,354	1,266	104	37	1108
INTEREST & RELATED ITEMS(IRI)	INTREL	7,947	2,459	993	1,161	275	23	8	1108

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	566,420	144,867	104,687	20,452	9,121	10,606	0	1109
RTB STOCK	RTBSTK	1,090	319	231	45	20	23	0	1109
- GENERAL SUPPORT FACILITIES	GSF	5,926,633	1,736,351	1,254,768	245,136	109,320	127,127	0	1109
- CENTRAL OFFICE EQUIPMENT	COE	8,841,279	3,239,580	1,278,169	1,088,292	356,964	516,155	0	1109
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1109
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1109
-- COE CAT 3	COE3	2,538,283	1,079,715	0	1,079,715	0	0	0	1109
-- COE CAT 4.11	COE411	14,114	9,583	0	0	0	9,583	0	1109
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1109
-- COE CAT 4.13	COE413	5,138,499	1,291,695	1,278,169	0	0	13,526	0	1109
-- COE CAT 4.2	COE42	602,488	557,662	0	0	64,615	493,047	0	1109
-- COE CAT 4.3	COE43	537,536	292,349	0	0	292,349	0	0	1109
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1109
- CABLE & WIRE FACILITIES	CWF	17,677,558	4,521,179	4,336,314	0	132,189	52,676	0	1109
-- C&WF CAT 1.1	CWF11	41,715	0	0	0	0	0	0	1109
-- C&WF CAT 1.2	CWF12	45,887	45,887	0	0	0	45,887	0	1109
-- C&WF CAT 1.3	CWF13	17,345,258	4,336,314	4,336,314	0	0	0	0	1109
-- C&WF CAT 2	CWF2	6,991	4,747	0	0	0	4,747	0	1109
-- C&WF CAT 3	CWF3	88,377	53,015	0	0	50,973	2,042	0	1109
-- C&WF CAT 4	CWF4	149,330	81,216	0	0	81,216	0	0	1109
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1109
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1109
TELCOM PLANT-OTHER	PLTOTH	1,185,295	347,261	250,947	49,026	21,863	25,425	0	1109
ACCUM DEPRECIATION	ACCDEP	15,660,741	4,854,901	2,963,564	1,244,249	292,628	354,460	0	1109
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1109
NET DEFERRED FIT	NTDFIT	3,699,890	1,089,757	768,310	185,858	63,368	72,221	0	1109
NETWORK SUPPORT EXP	NETSPX	41,690	12,214	8,826	1,724	769	894	0	1109
GENERAL SUPPORT EXP	GSFX	392,454	114,979	83,089	16,233	7,239	8,418	0	1109
COE EXPENSE	COEX	977,380	359,075	133,018	135,192	37,149	53,716	0	1109
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1109
C&WF EXPENSE	CWFX	1,104,282	282,429	270,881	0	8,258	3,291	0	1109
OTHER PROP & PL EXP	OTHPPX	7,018	2,056	1,486	290	129	151	0	1109
NETWORK OPERATIONS EXP	NETOPX	918,052	290,053	209,606	42,383	16,827	21,236	0	1109
DEPREC & AMORT EXP	DEPAMX	1,964,717	623,889	354,359	183,511	38,349	47,671	0	1109
MARKETING EXPENSE	MRKTX	46,426	16,591	11,989	2,342	1,045	1,215	0	1109
SERVICES EXPENSE	SERVX	899,207	340,661	142,916	41,817	17,757	35,446	102,725	1109
- CABSX EXPENSE	CABSX	89,192	44,596	0	22,700	10,123	11,772	0	1109
EXEC & PLANNING EXP	EXEPLX	385,448	125,913	78,704	20,367	7,568	10,555	8,718	1109
GENERAL & ADMIN EXP	GENADX	999,282	395,455	247,188	63,967	23,769	33,150	27,381	1109
OTHER TAXES (EXCL FIT & ITC)	OTAXES	595,530	172,267	130,982	17,518	11,056	12,711	0	1109
INVESTMENT TAX CREDITS (ITC)	ITC	22,136	6,485	4,687	916	408	475	0	1109
NON-OPERATING INC & EXP	NONOPX	14,149	5,327	3,850	752	335	390	0	1109
INTEREST & RELATED ITEMS(IRI)	INTREL	65,846	17,984	15,301	124	1,207	1,352	0	1109

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	253,080	67,713	36,343	20,747	2,138	8,485	0	1110
RTB STOCK	RTBSTK	43,477	15,291	8,207	4,685	483	1,916	0	1110
- GENERAL SUPPORT FACILITIES	GSF	1,941,063	682,660	366,398	209,166	21,556	85,540	0	1110
- CENTRAL OFFICE EQUIPMENT	COE	4,082,593	2,171,141	326,153	1,381,661	105,171	358,158	0	1110
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1110
-- COE CAT 2	COE2	136,497	80,100	0	0	80,100	0	0	1110
-- COE CAT 3	COE3	2,184,171	1,381,661	0	1,381,661	0	0	0	1110
-- COE CAT 4.11	COE411	251,113	251,113	0	0	0	251,113	0	1110
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1110
-- COE CAT 4.13	COE413	1,317,215	330,954	326,153	0	0	4,802	0	1110
-- COE CAT 4.2	COE42	193,597	127,314	0	0	25,071	102,243	0	1110
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1110
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1110
- CABLE & WIRE FACILITIES	CWF	8,739,243	2,338,221	2,094,118	0	37,219	206,883	0	1110
-- C&WF CAT 1.1	CWF11	50,101	0	0	0	0	0	0	1110
-- C&WF CAT 1.2	CWF12	30,831	30,831	0	0	0	30,831	0	1110
-- C&WF CAT 1.3	CWF13	8,376,474	2,094,118	2,094,118	0	0	0	0	1110
-- C&WF CAT 2	CWF2	210,110	173,339	0	0	0	173,339	0	1110
-- C&WF CAT 3	CWF3	71,727	39,932	0	0	37,219	2,713	0	1110
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1110
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1110
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1110
TELCOM PLANT-OTHER	PLTOTH	134,946	47,460	25,473	14,542	1,499	5,947	0	1110
ACCUM DEPRECIATION	ACCDEP	7,382,821	2,852,708	1,241,076	1,108,655	102,747	400,230	0	1110
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1110
NET DEFERRED FIT	NTDFIT	1,410,164	495,943	266,187	151,952	15,660	62,145	0	1110
NETWORK SUPPORT EXP	NETSPX	7,187	2,528	1,357	774	80	317	0	1110
GENERAL SUPPORT EXP	GSFX	70,986	24,965	13,399	7,649	788	3,128	0	1110
COE EXPENSE	COEX	275,898	146,724	11,556	97,724	24,753	12,690	0	1110
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1110
C&WF EXPENSE	CWFX	445,939	119,313	106,857	0	1,899	10,557	0	1110
OTHER PROP & PL EXP	OTHPPX	23,312	8,199	4,400	2,512	259	1,027	0	1110
NETWORK OPERATIONS EXP	NETOPX	210,990	74,204	39,827	22,736	2,343	9,298	0	1110
DEPREC & AMORT EXP	DEPAMX	874,182	334,866	148,168	131,031	11,949	43,717	0	1110
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1110
SERVICES EXPENSE	SERVX	484,530	135,377	15,148	17,730	2,073	7,251	93,175	1110
- CABSX EXPENSE	CABSX	53,416	26,708	0	17,664	1,820	7,224	0	1110
EXEC & PLANNING EXP	EXEPLX	369,421	123,965	50,899	34,182	7,380	10,147	21,357	1110
GENERAL & ADMIN EXP	GENADX	322,839	128,046	52,574	35,307	7,623	10,481	22,060	1110
OTHER TAXES (EXCL FIT & ITC)	OTAXES	182,765	76,248	43,693	21,123	2,287	9,146	0	1110
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1110
NON-OPERATING INC & EXP	NONOPX	10,900	3,968	2,130	1,216	125	497	0	1110
INTEREST & RELATED ITEMS(IRI)	INTREL	38,693	11,931	6,403	3,656	377	1,495	0	1110

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COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	102,995	32,120	17,337	6,476	7,704	590	12	1111
RTB STOCK	RTBSTK	22,658	7,457	4,025	1,504	1,789	137	3	1111
- GENERAL SUPPORT FACILITIES	GSF	2,181,685	718,028	386,569	144,405	171,783	13,161	2,109	1111
- CENTRAL OFFICE EQUIPMENT	COE	4,469,184	1,636,772	408,349	954,346	229,015	45,061	0	1111
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1111
-- COE CAT 2	COE2	382,722	145,261	0	145,261	0	0	0	1111
-- COE CAT 3	COE3	1,811,612	809,086	0	809,086	0	0	0	1111
-- COE CAT 4.11	COE411	36,868	36,868	0	0	0	36,868	0	1111
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1111
-- COE CAT 4.13	COE413	1,644,237	415,576	408,349	0	0	7,227	0	1111
-- COE CAT 4.2	COE42	461,634	183,958	0	0	182,992	966	0	1111
-- COE CAT 4.3	COE43	132,111	46,024	0	0	46,024	0	0	1111
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1111
- CABLE & WIRE FACILITIES	CWF	9,906,860	3,094,596	2,146,409	0	906,268	41,919	0	1111
-- C&WF CAT 1.1	CWF11	18,995	0	0	0	0	0	0	1111
-- C&WF CAT 1.2	CWF12	37,990	37,990	0	0	0	37,990	0	1111
-- C&WF CAT 1.3	CWF13	8,585,638	2,146,409	2,146,409	0	0	0	0	1111
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1111
-- C&WF CAT 3	CWF3	888,943	779,455	0	0	775,526	3,929	0	1111
-- C&WF CAT 4	CWF4	375,295	130,742	0	0	130,742	0	0	1111
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1111
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1111
TELCOM PLANT-OTHER	PLTOTH	2,136,072	702,741	379,453	141,747	168,621	12,919	0	1111
ACCUM DEPRECIATION	ACCDEP	9,371,741	3,060,761	1,701,659	541,446	757,324	58,683	1,648	1111
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1111
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1111
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1111
GENERAL SUPPORT EXP	GSFX	72,976	24,018	12,930	4,830	5,746	440	71	1111
COE EXPENSE	COEX	247,138	90,724	11,288	71,860	6,330	1,246	0	1111
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1111
C&WF EXPENSE	CWFX	973,188	303,994	210,850	0	89,026	4,118	0	1111
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1111
NETWORK OPERATIONS EXP	NETOPX	54,408	17,906	9,669	3,612	4,297	329	0	1111
DEPREC & AMORT EXP	DEPAMX	770,895	259,825	127,298	71,997	56,298	4,157	76	1111
MARKETING EXPENSE	MRKTX	36,549	10,296	5,557	2,076	2,469	189	4	1111
SERVICES EXPENSE	SERVX	237,006	13,047	0	3,587	211	1,940	7,310	1111
- CABSX EXPENSE	CABSX	807	404	0	177	210	16	0	1111
EXEC & PLANNING EXP	EXEPLX	139,244	39,530	22,224	7,095	8,920	682	609	1111
GENERAL & ADMIN EXP	GENADX	472,357	193,326	108,687	34,699	43,625	3,335	2,981	1111
OTHER TAXES (EXCL FIT & ITC)	OTAXES	98,323	32,347	17,466	6,525	7,762	595	0	1111
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1111
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1111
INTEREST & RELATED ITEMS(IRI)	INTREL	37,612	12,464	6,728	2,513	2,990	229	5	1111

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	39,766	16,311	4,165	5,976	6,037	68	65	1112
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1112
- GENERAL SUPPORT FACILITIES	GSF	4,917,250	2,237,136	560,237	803,853	812,093	9,175	51,777	1112
- CENTRAL OFFICE EQUIPMENT	COE	8,473,905	4,527,870	158,077	3,931,521	435,856	2,415	0	1112
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1112
-- COE CAT 2	COE2	327,415	109,604	0	0	109,604	0	0	1112
-- COE CAT 3	COE3	6,737,976	3,931,521	0	3,931,521	0	0	0	1112
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1112
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1112
-- COE CAT 4.13	COE413	634,723	160,492	158,077	0	0	2,415	0	1112
-- COE CAT 4.2	COE42	773,791	326,252	0	0	326,252	0	0	1112
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1112
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1112
- CABLE & WIRE FACILITIES	CWF	15,018,988	6,160,381	2,581,955	0	3,535,966	42,459	0	1112
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1112
-- C&WF CAT 1.2	CWF12	39,442	39,442	0	0	0	39,442	0	1112
-- C&WF CAT 1.3	CWF13	10,327,822	2,581,955	2,581,955	0	0	0	0	1112
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1112
-- C&WF CAT 3	CWF3	4,651,724	3,538,983	0	0	3,535,966	3,017	0	1112
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1112
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1112
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1112
TELCOM PLANT-OTHER	PLTOTH	71,658	32,471	8,324	11,944	12,066	136	0	1112
ACCUM DEPRECIATION	ACCDEP	16,565,025	7,716,192	1,734,993	3,375,498	2,545,974	28,404	31,323	1112
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1112
NET DEFERRED FIT	NTDFIT	2,468,144	1,145,025	258,509	502,940	379,343	4,232	0	1112
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1112
GENERAL SUPPORT EXP	GSFX	529,030	240,686	60,274	86,484	87,370	987	5,571	1112
COE EXPENSE	COEX	390,432	208,620	7,923	179,228	21,348	121	0	1112
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1112
C&WF EXPENSE	CWFX	399,260	163,766	68,638	0	93,999	1,129	0	1112
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1112
NETWORK OPERATIONS EXP	NETOPX	55,620	25,305	6,487	9,308	9,403	106	0	1112
DEPREC & AMORT EXP	DEPAMX	1,554,313	707,416	176,108	266,718	258,275	2,880	3,436	1112
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1112
SERVICES EXPENSE	SERVX	449,755	142,971	13,379	22,908	11,988	249	94,447	1112
- CABSX EXPENSE	CABSX	47,980	23,990	0	11,867	11,988	135	0	1112
EXEC & PLANNING EXP	EXEPLX	471,500	196,841	39,477	75,055	56,459	653	25,197	1112
GENERAL & ADMIN EXP	GENADX	808,793	391,669	78,550	149,343	112,340	1,299	50,136	1112
OTHER TAXES (EXCL FIT & ITC)	OTAXES	233,490	105,802	27,123	38,918	39,317	444	0	1112
INVESTMENT TAX CREDITS (ITC)	ITC	-6,108	-2,768	-710	-1,018	-1,029	-12	0	1112
NON-OPERATING INC & EXP	NONOPX	918	422	108	155	156	2	2	1112
INTEREST & RELATED ITEMS(IRI)	INTREL	215,329	93,236	23,806	34,158	34,508	390	373	1112

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	419,001	107,362	39,414	24,377	20,488	23,017	66	1113
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1113
- GENERAL SUPPORT FACILITIES	GSF	15,335,432	6,338,695	2,318,641	1,434,031	1,205,285	1,354,010	26,728	1113
- CENTRAL OFFICE EQUIPMENT	COE	39,565,153	24,262,974	3,274,837	8,442,335	6,128,257	6,417,545	0	1113
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1113
-- COE CAT 2	COE2	2,042,630	1,477,246	0	0	1,477,246	0	0	1113
-- COE CAT 3	COE3	9,932,159	8,442,335	0	8,442,335	0	0	0	1113
-- COE CAT 4.11	COE411	484,752	190,050	0	0	0	190,050	0	1113
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1113
-- COE CAT 4.13	COE413	14,950,049	3,549,123	3,274,837	0	0	274,286	0	1113
-- COE CAT 4.2	COE42	12,155,563	10,604,219	0	0	4,651,011	5,953,209	0	1113
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1113
- INFORMATION ORIG/TERM	IOT	208,532	52,133	52,087	0	0	46	0	1113
- CABLE & WIRE FACILITIES	CWF	50,127,423	12,844,308	10,323,237	0	967,422	1,553,650	0	1113
-- C&WF CAT 1.1	CWF11	4,969,319	0	0	0	0	0	0	1113
-- C&WF CAT 1.2	CWF12	864,629	864,629	0	0	0	864,629	0	1113
-- C&WF CAT 1.3	CWF13	41,292,948	10,323,237	10,323,237	0	0	0	0	1113
-- C&WF CAT 2	CWF2	1,600,168	627,355	0	0	0	627,355	0	1113
-- C&WF CAT 3	CWF3	1,343,565	1,006,599	0	0	944,933	61,665	0	1113
-- C&WF CAT 4	CWF4	56,794	22,489	0	0	22,489	0	0	1113
- TANGIBLES	TANGIB	187,516	77,507	28,454	17,598	14,791	16,616	48	1113
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1113
TELCOM PLANT-OTHER	PLTOTH	328,509	135,701	49,849	30,830	25,912	29,110	0	1113
ACCUM DEPRECIATION	ACCDEP	62,432,782	23,914,392	10,154,915	3,608,189	4,553,403	5,578,179	19,707	1113
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1113
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1113
NETWORK SUPPORT EXP	NETSPX	149,176	61,660	22,636	14,000	11,767	13,219	38	1113
GENERAL SUPPORT EXP	GSFX	524,290	216,708	79,270	49,027	41,206	46,291	914	1113
COE EXPENSE	COEX	1,738,355	1,066,031	123,142	448,249	253,324	241,315	0	1113
IOT EXPENSE	IOTX	1,629	407	407	0	0	0	0	1113
C&WF EXPENSE	CWFX	1,730,253	443,348	356,328	0	33,393	53,627	0	1113
OTHER PROP & PL EXP	OTHPX	76,742	31,720	11,652	7,207	6,057	6,804	0	1113
NETWORK OPERATIONS EXP	NETOPX	2,151,406	889,255	326,659	202,032	169,805	190,758	0	1113
DEPREC & AMORT EXP	DEPAMX	8,705,735	3,929,446	1,206,714	988,650	820,891	910,992	2,199	1113
MARKETING EXPENSE	MRKTX	46,351	24,474	8,985	5,557	4,670	5,247	15	1113
SERVICES EXPENSE	SERVX	1,314,207	265,503	61,044	27,308	22,952	65,467	88,733	1113
- CABSX EXPENSE	CABSX	54,383	27,191	0	9,764	8,207	9,220	0	1113
EXEC & PLANNING EXP	EXEPLX	787,629	303,335	106,275	73,899	53,280	61,083	8,799	1113
GENERAL & ADMIN EXP	GENADX	2,814,265	1,131,677	396,488	275,700	198,775	227,888	32,826	1113
OTHER TAXES (EXCL FIT & ITC)	OTAXES	557,669	233,271	85,690	52,997	44,544	50,040	0	1113
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1113
NON-OPERATING INC & EXP	NONOPX	5,973	2,380	874	540	454	510	1	1113
INTEREST & RELATED ITEMS(IRI)	INTREL	1,285,591	585,039	214,776	132,835	111,646	125,422	359	1113

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	210,311	103,870	13,580	27,860	8,133	54,260	36	1114
RTB STOCK	RTBSTK	355,001	215,245	28,142	57,734	16,853	112,441	75	1114
- GENERAL SUPPORT FACILITIES	GSF	4,997,169	3,029,898	395,484	811,352	236,849	1,580,179	6,034	1114
- CENTRAL OFFICE EQUIPMENT	COE	12,832,926	8,970,903	247,336	3,806,045	680,852	4,236,670	0	1114
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1114
-- COE CAT 2	COE2	121,864	52,932	0	0	52,932	0	0	1114
-- COE CAT 3	COE3	6,168,841	3,806,045	0	3,806,045	0	0	0	1114
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1114
-- COE CAT 4.12	COE412	40,435	0	0	0	0	0	0	1114
-- COE CAT 4.13	COE413	995,680	251,462	247,336	0	0	4,125	0	1114
-- COE CAT 4.2	COE42	5,506,106	4,860,464	0	0	627,920	4,232,544	0	1114
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1114
- INFORMATION ORIG/TERM	IOT	10,138	2,535	2,493	0	0	42	0	1114
- CABLE & WIRE FACILITIES	CWF	10,551,918	5,211,477	1,605,383	0	430,202	3,175,893	0	1114
-- C&WF CAT 1.1	CWF11	14,344	0	0	0	0	0	0	1114
-- C&WF CAT 1.2	CWF12	26,776	26,776	0	0	0	26,776	0	1114
-- C&WF CAT 1.3	CWF13	6,421,530	1,605,383	1,605,383	0	0	0	0	1114
-- C&WF CAT 2	CWF2	3,142,517	3,092,549	0	0	0	3,092,549	0	1114
-- C&WF CAT 3	CWF3	946,750	486,770	0	0	430,202	56,568	0	1114
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1114
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1114
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1114
TELCOM PLANT-OTHER	PLTOTH	2,762	1,674	219	449	131	875	0	1114
ACCUM DEPRECIATION	ACCDEP	14,780,158	8,976,523	1,071,945	2,945,022	655,010	4,300,569	3,978	1114
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1114
NET DEFERRED FIT	NTDFIT	2,971,925	1,804,477	235,846	474,723	142,480	951,428	0	1114
NETWORK SUPPORT EXP	NETSPX	129,850	78,731	10,293	21,117	6,165	41,128	28	1114
GENERAL SUPPORT EXP	GSFX	424,415	257,333	33,589	68,909	20,116	134,206	512	1114
COE EXPENSE	COEX	476,293	332,954	2,248	282,570	9,636	38,500	0	1114
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1114
C&WF EXPENSE	CWFX	641,166	316,665	97,548	0	26,140	192,977	0	1114
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1114
NETWORK OPERATIONS EXP	NETOPX	946,172	573,686	75,031	153,929	44,935	299,791	0	1114
DEPREC & AMORT EXP	DEPAMX	2,745,874	1,702,867	147,486	758,207	109,349	687,299	525	1114
MARKETING EXPENSE	MRKTX	18,145	5,896	771	1,582	462	3,080	2	1114
SERVICES EXPENSE	SERVX	471,838	168,014	9,236	40,512	11,826	78,901	27,539	1114
- CABSX EXPENSE	CABSX	262,478	131,239	0	40,512	11,826	78,901	0	1114
EXEC & PLANNING EXP	EXEPLX	194,418	106,376	17,026	33,768	7,084	46,831	1,668	1114
GENERAL & ADMIN EXP	GENADX	1,211,750	715,939	114,587	227,269	47,674	315,185	11,224	1114
OTHER TAXES (EXCL FIT & ITC)	OTAXES	351,500	213,773	29,096	51,445	17,265	115,958	9	1114
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1114
NON-OPERATING INC & EXP	NONOPX	75,321	44,047	5,759	11,814	3,449	23,010	15	1114
INTEREST & RELATED ITEMS(IRI)	INTREL	436,030	262,751	34,353	70,476	20,573	137,258	92	1114

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	3,935,634	1,026,829	564,466	118,942	316,631	25,003	1,788	1115
RTB STOCK	RTBSTK	2,946,241	759,008	417,240	87,919	234,046	18,481	1,322	1115
- GENERAL SUPPORT FACILITIES	GSF	39,253,301	10,111,981	5,513,755	1,161,832	3,092,876	244,229	99,289	1115
- CENTRAL OFFICE EQUIPMENT	COE	72,444,456	18,300,832	3,210,265	5,442,517	9,289,085	358,965	0	1115
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1115
-- COE CAT 2	COE2	2,718,333	1,072,467	0	0	1,072,467	0	0	1115
-- COE CAT 3	COE3	33,312,423	5,442,517	0	5,442,517	0	0	0	1115
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1115
-- COE CAT 4.12	COE412	85,340	0	0	0	0	0	0	1115
-- COE CAT 4.13	COE413	13,195,106	3,283,848	3,210,265	0	0	73,583	0	1115
-- COE CAT 4.2	COE42	14,278,078	5,678,935	0	0	5,393,553	285,382	0	1115
-- COE CAT 4.3	COE43	8,855,176	2,823,066	0	0	2,823,066	0	0	1115
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1115
- CABLE & WIRE FACILITIES	CWF	109,629,210	28,602,879	22,618,510	0	5,199,261	785,108	0	1115
-- C&WF CAT 1.1	CWF11	1,976,045	0	0	0	0	0	0	1115
-- C&WF CAT 1.2	CWF12	518,443	518,443	0	0	0	518,443	0	1115
-- C&WF CAT 1.3	CWF13	90,474,041	22,618,510	22,618,510	0	0	0	0	1115
-- C&WF CAT 2	CWF2	58,652	0	0	0	0	0	0	1115
-- C&WF CAT 3	CWF3	9,275,070	3,130,062	0	0	2,863,397	266,665	0	1115
-- C&WF CAT 4	CWF4	7,326,959	2,335,864	0	0	2,335,864	0	0	1115
- TANGIBLES	TANGIB	715,480	186,673	147,617	0	33,932	5,124	0	1115
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1115
TELCOM PLANT-OTHER	PLTOTH	5,081,587	1,307,890	720,673	151,145	403,134	31,889	1,049	1115
ACCUM DEPRECIATION	ACCDEP	126,246,513	32,740,360	19,060,090	3,095,579	9,716,347	817,985	50,360	1115
ACCUM AMORTIZATION	ACCAMO	2,391,114	614,832	339,047	71,114	189,668	15,003	0	1115
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1115
NETWORK SUPPORT EXP	NETSPX	51,683	13,314	7,319	1,542	4,105	324	23	1115
GENERAL SUPPORT EXP	GSFX	4,053,142	1,044,124	569,329	119,966	319,358	25,218	10,252	1115
COE EXPENSE	COEX	4,419,598	1,116,474	83,946	675,226	347,914	9,387	0	1115
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1115
C&WF EXPENSE	CWFX	5,623,817	1,467,286	1,160,296	0	266,714	40,275	0	1115
OTHER PROP & PL EXP	OTHPXX	1,363	351	193	41	108	9	0	1115
NETWORK OPERATIONS EXP	NETOPX	5,679,294	1,463,034	805,659	169,765	451,925	35,686	0	1115
DEPREC & AMORT EXP	DEPAMX	11,830,763	3,022,236	1,485,718	453,681	1,007,552	70,656	4,629	1115
MARKETING EXPENSE	MRKTX	733,701	248,206	136,443	28,751	76,536	6,044	432	1115
SERVICES EXPENSE	SERVX	6,339,397	1,395,673	294,245	235,474	246,256	25,919	593,779	1115
- CABSX EXPENSE	CABSX	528,254	264,128	0	68,210	181,579	14,338	0	1115
EXEC & PLANNING EXP	EXEPLX	1,477,371	368,806	178,616	63,418	88,263	7,361	31,148	1115
GENERAL & ADMIN EXP	GENADX	6,898,390	1,779,673	861,911	306,026	425,912	35,522	150,304	1115
OTHER TAXES (EXCL FIT & ITC)	OTAXES	2,380,701	612,246	337,149	71,043	189,120	14,934	0	1115
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1115
NON-OPERATING INC & EXP	NONOPX	76,976	19,745	10,854	2,287	6,089	481	34	1115
INTEREST & RELATED ITEMS(IRI)	INTREL	2,829,700	723,508	397,725	83,807	223,099	17,617	1,260	1115

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	201,270	56,874	25,310	24,766	4,957	1,841	0	1116
RTB STOCK	RTBSTK	17,950	7,137	3,176	3,108	622	231	0	1116
- GENERAL SUPPORT FACILITIES	GSF	445,525	177,138	78,830	77,137	15,438	5,733	0	1116
- CENTRAL OFFICE EQUIPMENT	COE	1,331,123	947,497	57,772	874,312	11,219	4,193	0	1116
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1116
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1116
-- COE CAT 3	COE3	1,028,602	846,106	0	846,106	0	0	0	1116
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1116
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1116
-- COE CAT 4.13	COE413	234,288	60,971	57,772	0	0	3,198	0	1116
-- COE CAT 4.2	COE42	24,870	12,214	0	0	11,219	995	0	1116
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1116
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1116
- CABLE & WIRE FACILITIES	CWF	3,881,632	1,096,854	864,557	0	169,411	62,886	0	1116
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1116
-- C&WF CAT 1.2	CWF12	47,865	47,865	0	0	0	47,865	0	1116
-- C&WF CAT 1.3	CWF13	3,458,228	864,557	864,557	0	0	0	0	1116
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1116
-- C&WF CAT 3	CWF3	375,539	184,432	0	0	169,411	15,022	0	1116
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1116
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1116
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1116
TELCOM PLANT-OTHER	PLTOTH	350,795	139,474	62,069	60,735	12,156	4,514	0	1116
ACCUM DEPRECIATION	ACCDEP	1,384,690	620,474	217,160	345,005	42,516	15,793	0	1116
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1116
NET DEFERRED FIT	NTDFIT	12,535	5,115	2,166	2,368	424	158	0	1116
NETWORK SUPPORT EXP	NETSPX	1,839	731	325	318	64	24	0	1116
GENERAL SUPPORT EXP	GSFX	99,797	39,679	17,658	17,278	3,458	1,284	0	1116
COE EXPENSE	COEX	272,549	199,776	97,041	76,846	18,845	7,044	0	1116
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1116
C&WF EXPENSE	CWFX	27,037	7,640	6,022	0	1,180	438	0	1116
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1116
NETWORK OPERATIONS EXP	NETOPX	340,925	137,778	61,368	59,929	12,018	4,463	0	1116
DEPREC & AMORT EXP	DEPAMX	348,070	143,327	59,622	67,697	11,672	4,336	0	1116
MARKETING EXPENSE	MRKTX	11,195	3,340	1,486	1,454	291	108	0	1116
SERVICES EXPENSE	SERVX	70,633	31,257	8,749	7,510	1,412	156	13,431	1116
- CABSX EXPENSE	CABSX	5,313	2,657	0	2,084	417	155	0	1116
EXEC & PLANNING EXP	EXEPLX	69,020	36,294	16,640	14,108	3,219	1,168	1,160	1116
GENERAL & ADMIN EXP	GENADX	328,216	192,110	88,077	74,675	17,038	6,180	6,140	1116
OTHER TAXES (EXCL FIT & ITC)	OTAXES	115,479	45,309	20,814	18,905	4,076	1,514	0	1116
INVESTMENT TAX CREDITS (ITC)	ITC	137	54	24	24	5	2	0	1116
NON-OPERATING INC & EXP	NONOPX	494	284	126	124	25	9	0	1116
INTEREST & RELATED ITEMS(IRI)	INTREL	275,411	104,188	46,366	45,370	9,080	3,372	0	1116

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	699,567	246,886	115,776	40,627	20,384	70,095	4	1117
RTB STOCK	RTBSTK	320,150	119,331	55,960	19,637	9,852	33,880	2	1117
- GENERAL SUPPORT FACILITIES	GSF	9,070,760	3,380,974	1,585,299	556,298	279,108	959,793	476	1117
- CENTRAL OFFICE EQUIPMENT	COE	34,312,539	13,652,726	5,517,668	4,776,180	1,221,538	2,137,339	0	1117
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1117
-- COE CAT 2	COE2	1,065,543	433,529	0	0	433,529	0	0	1117
-- COE CAT 3	COE3	6,623,281	4,776,180	0	4,776,180	0	0	0	1117
-- COE CAT 4.11	COE411	1,029,410	1,029,410	0	0	0	1,029,410	0	1117
-- COE CAT 4.12	COE412	124,760	0	0	0	0	0	0	1117
-- COE CAT 4.13	COE413	22,370,712	5,760,557	5,517,668	0	0	242,888	0	1117
-- COE CAT 4.2	COE42	2,401,534	1,390,382	0	0	525,341	865,040	0	1117
-- COE CAT 4.3	COE43	697,299	262,668	0	0	262,668	0	0	1117
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1117
- CABLE & WIRE FACILITIES	CWF	43,554,824	15,371,031	8,093,146	0	1,174,784	6,103,101	0	1117
-- C&WF CAT 1.1	CWF11	83,826	0	0	0	0	0	0	1117
-- C&WF CAT 1.2	CWF12	356,261	356,261	0	0	0	356,261	0	1117
-- C&WF CAT 1.3	CWF13	32,372,584	8,093,146	8,093,146	0	0	0	0	1117
-- C&WF CAT 2	CWF2	7,359,562	5,488,414	0	0	0	5,488,414	0	1117
-- C&WF CAT 3	CWF3	2,279,595	1,017,718	0	0	759,292	258,426	0	1117
-- C&WF CAT 4	CWF4	1,102,996	415,492	0	0	415,492	0	0	1117
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1117
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1117
TELCOM PLANT-OTHER	PLTOTH	2,234,422	832,831	390,560	137,052	68,762	236,458	0	1117
ACCUM DEPRECIATION	ACCDEP	46,205,899	16,778,226	8,338,656	2,558,874	1,430,945	4,449,499	252	1117
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1117
NET DEFERRED FIT	NTDFIT	2,362,151	880,439	412,886	144,886	72,693	249,975	0	1117
NETWORK SUPPORT EXP	NETSPX	166,399	62,022	29,085	10,206	5,121	17,609	1	1117
GENERAL SUPPORT EXP	GSFX	1,169,900	436,061	204,464	71,749	35,998	123,789	61	1117
COE EXPENSE	COEX	1,411,325	561,707	260,541	142,256	57,986	100,924	0	1117
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1117
C&WF EXPENSE	CWFX	1,179,226	416,163	219,118	0	31,807	165,239	0	1117
OTHER PROP & PL EXP	OTHPX	40,753	15,190	7,123	2,500	1,254	4,313	0	1117
NETWORK OPERATIONS EXP	NETOPX	1,602,508	597,308	280,110	98,294	49,316	169,588	0	1117
DEPREC & AMORT EXP	DEPAMX	4,490,230	1,764,235	732,854	437,639	145,437	448,262	43	1117
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1117
SERVICES EXPENSE	SERVX	503,924	77,006	43,784	3,518	1,765	6,070	21,870	1117
- CABSX EXPENSE	CABSX	22,516	11,258	0	3,489	1,750	6,019	0	1117
EXEC & PLANNING EXP	EXEPLX	1,050,400	369,483	181,020	55,220	30,801	98,755	3,686	1117
GENERAL & ADMIN EXP	GENADX	2,528,357	970,670	475,558	145,068	80,918	259,441	9,685	1117
OTHER TAXES (EXCL FIT & ITC)	OTAXES	839,544	313,460	146,998	51,583	25,881	88,998	0	1117
INVESTMENT TAX CREDITS (ITC)	ITC	25,952	9,673	4,536	1,592	799	2,746	0	1117
NON-OPERATING INC & EXP	NONOPX	1,000	374	176	62	31	106	0	1117
INTEREST & RELATED ITEMS(IRI)	INTREL	1,256,670	481,396	211,853	85,187	38,396	145,953	7	1117

APPENDIX B1

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	389,309	100,876	62,219	22,036	11,640	4,981	0	1118
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1118
- GENERAL SUPPORT FACILITIES	GSF	1,446,642	403,838	249,083	88,217	46,600	19,939	0	1118
- CENTRAL OFFICE EQUIPMENT	COE	5,027,121	1,655,841	362,577	1,072,157	173,820	47,287	0	1118
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1118
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1118
-- COE CAT 3	COE3	2,202,884	1,072,157	0	1,072,157	0	0	0	1118
-- COE CAT 4.11	COE411	3,831	3,831	0	0	0	3,831	0	1118
-- COE CAT 4.12	COE412	18,470	0	0	0	0	0	0	1118
-- COE CAT 4.13	COE413	1,480,687	375,838	362,577	0	0	13,261	0	1118
-- COE CAT 4.2	COE42	1,014,755	129,095	0	0	98,901	30,195	0	1118
-- COE CAT 4.3	COE43	306,494	74,920	0	0	74,920	0	0	1118
- INFORMATION ORIG/TERM	IOT	98,345	24,586	24,586	0	0	0	0	1118
- CABLE & WIRE FACILITIES	CWF	12,456,548	3,227,688	2,640,106	0	392,541	195,041	0	1118
-- C&WF CAT 1.1	CWF11	124,653	0	0	0	0	0	0	1118
-- C&WF CAT 1.2	CWF12	96,562	96,562	0	0	0	96,562	0	1118
-- C&WF CAT 1.3	CWF13	10,560,424	2,640,106	2,640,106	0	0	0	0	1118
-- C&WF CAT 2	CWF2	242,679	33,284	0	0	0	33,284	0	1118
-- C&WF CAT 3	CWF3	961,907	342,769	0	0	277,575	65,194	0	1118
-- C&WF CAT 4	CWF4	470,322	114,966	0	0	114,966	0	0	1118
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1118
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1118
TELCOM PLANT-OTHER	PLTOTH	42,401	11,836	7,301	2,586	1,366	584	0	1118
ACCUM DEPRECIATION	ACCDEP	13,082,877	3,526,925	2,336,005	559,485	443,647	187,789	0	1118
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1118
NET DEFERRED FIT	NTDFIT	111,153	31,029	19,138	6,778	3,581	1,532	0	1118
NETWORK SUPPORT EXP	NETSPX	41,255	11,517	7,103	2,516	1,329	569	0	1118
GENERAL SUPPORT EXP	GSFX	267,779	74,752	46,106	16,329	8,626	3,691	0	1118
COE EXPENSE	COEX	368,955	121,527	17,594	93,204	8,434	2,295	0	1118
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1118
C&WF EXPENSE	CWFX	617,027	159,881	130,776	0	19,444	9,661	0	1118
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1118
NETWORK OPERATIONS EXP	NETOPX	259,613	72,472	44,700	15,831	8,363	3,578	0	1118
DEPREC & AMORT EXP	DEPAMX	1,102,141	314,255	182,990	81,588	34,857	14,820	0	1118
MARKETING EXPENSE	MRKTX	27,972	7,730	4,768	1,689	892	382	0	1118
SERVICES EXPENSE	SERVX	446,939	129,502	32,799	31,686	15,573	5,459	43,984	1118
- CABSX EXPENSE	CABSX	79,091	39,546	0	22,543	11,908	5,095	0	1118
EXEC & PLANNING EXP	EXEPLX	443,276	126,532	65,461	33,550	13,037	5,333	9,151	1118
GENERAL & ADMIN EXP	GENADX	958,330	312,229	161,531	82,787	32,170	13,160	22,581	1118
OTHER TAXES (EXCL FIT & ITC)	OTAXES	187,877	52,308	32,263	11,426	6,036	2,583	0	1118
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1118
NON-OPERATING INC & EXP	NONOPX	4,085	1,279	789	279	148	63	0	1118
INTEREST & RELATED ITEMS(IRI)	INTREL	118,467	35,291	21,767	7,709	4,072	1,742	0	1118

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	415,000	139,302	43,807	25,875	36,990	32,542	89	1119
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1119
- GENERAL SUPPORT FACILITIES	GSF	5,439,714	2,057,230	644,965	380,962	544,603	479,115	7,585	1119
- CENTRAL OFFICE EQUIPMENT	COE	9,548,973	4,309,655	290,136	1,825,759	1,506,420	687,341	0	1119
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1119
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1119
-- COE CAT 3	COE3	3,404,724	1,825,759	0	1,825,759	0	0	0	1119
-- COE CAT 4.11	COE411	826,101	604,364	0	0	0	604,364	0	1119
-- COE CAT 4.12	COE412	7,229	0	0	0	0	0	0	1119
-- COE CAT 4.13	COE413	1,183,423	301,463	290,136	0	0	11,327	0	1119
-- COE CAT 4.2	COE42	1,814,171	695,008	0	0	623,359	71,650	0	1119
-- COE CAT 4.3	COE43	2,313,325	883,061	0	0	883,061	0	0	1119
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1119
- CABLE & WIRE FACILITIES	CWF	16,424,712	5,513,259	2,800,856	0	1,103,589	1,608,814	0	1119
-- C&WF CAT 1.1	CWF11	111,531	0	0	0	0	0	0	1119
-- C&WF CAT 1.2	CWF12	109,344	109,344	0	0	0	109,344	0	1119
-- C&WF CAT 1.3	CWF13	11,203,423	2,800,856	2,800,856	0	0	0	0	1119
-- C&WF CAT 2	CWF2	1,949,301	1,408,436	0	0	0	1,408,436	0	1119
-- C&WF CAT 3	CWF3	1,382,128	557,525	0	0	466,491	91,034	0	1119
-- C&WF CAT 4	CWF4	1,668,984	637,098	0	0	637,098	0	0	1119
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1119
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1119
TELCOM PLANT-OTHER	PLTOTH	96,727	36,558	11,504	6,795	9,714	8,546	0	1119
ACCUM DEPRECIATION	ACCDEP	19,055,424	7,039,367	2,368,239	779,222	2,092,405	1,793,922	5,579	1119
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1119
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1119
NETWORK SUPPORT EXP	NETSPX	184,718	69,858	21,968	12,976	18,550	16,319	45	1119
GENERAL SUPPORT EXP	GSFX	260,429	98,491	30,878	18,239	26,073	22,938	363	1119
COE EXPENSE	COEX	304,043	137,221	6,854	78,539	35,589	16,238	0	1119
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1119
C&WF EXPENSE	CWFX	530,900	178,206	90,533	0	35,672	52,002	0	1119
OTHER PROP & PL EXP	OTHPXX	669	253	80	47	67	59	0	1119
NETWORK OPERATIONS EXP	NETOPX	374,980	141,813	44,624	26,358	37,680	33,149	0	1119
DEPREC & AMORT EXP	DEPAMX	1,475,093	562,720	177,017	132,987	128,400	123,616	701	1119
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1119
SERVICES EXPENSE	SERVX	369,173	81,227	22,101	9,795	13,327	3,369	32,634	1119
- CABSX EXPENSE	CABSX	18,820	9,410	0	2,552	3,648	3,210	0	1119
EXEC & PLANNING EXP	EXEPLX	312,322	106,501	36,401	20,879	23,884	20,610	4,727	1119
GENERAL & ADMIN EXP	GENADX	857,677	317,975	108,681	62,338	71,309	61,535	14,112	1119
OTHER TAXES (EXCL FIT & ITC)	OTAXES	215,428	79,747	25,094	14,822	21,189	18,641	0	1119
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1119
NON-OPERATING INC & EXP	NONOPX	1,662	603	190	112	160	141	0	1119
INTEREST & RELATED ITEMS(IRI)	INTREL	1,699	662	208	123	176	155	0	1119

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	24,361	5,944	4,476	1,087	240	140	0	1120
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1120
- GENERAL SUPPORT FACILITIES	GSF	1,202,327	315,907	237,912	57,770	12,758	7,467	0	1120
- CENTRAL OFFICE EQUIPMENT	COE	3,433,852	1,122,047	242,171	768,014	65,985	45,877	0	1120
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1120
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1120
-- COE CAT 3	COE3	1,980,883	742,478	0	742,478	0	0	0	1120
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1120
-- COE CAT 4.12	COE412	58,242	0	0	0	0	0	0	1120
-- COE CAT 4.13	COE413	973,247	243,692	242,171	0	0	1,521	0	1120
-- COE CAT 4.2	COE42	172,841	80,584	0	0	36,227	44,357	0	1120
-- COE CAT 4.3	COE43	183,412	29,757	0	0	29,757	0	0	1120
- INFORMATION ORIG/TERM	IOT	5,757	1,439	1,430	0	0	9	0	1120
- CABLE & WIRE FACILITIES	CWF	13,076,059	3,190,414	3,024,458	0	109,270	56,686	0	1120
-- C&WF CAT 1.1	CWF11	37,984	0	0	0	0	0	0	1120
-- C&WF CAT 1.2	CWF12	18,992	18,992	0	0	0	18,992	0	1120
-- C&WF CAT 1.3	CWF13	12,097,833	3,024,458	3,024,458	0	0	0	0	1120
-- C&WF CAT 2	CWF2	363,996	36,987	0	0	0	36,987	0	1120
-- C&WF CAT 3	CWF3	159,200	45,396	0	0	44,689	708	0	1120
-- C&WF CAT 4	CWF4	398,054	64,581	0	0	64,581	0	0	1120
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1120
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1120
TELCOM PLANT-OTHER	PLTOTH	7,264	1,909	1,437	349	77	45	0	1120
ACCUM DEPRECIATION	ACCDEP	8,452,329	2,302,644	1,527,390	616,188	98,868	60,197	0	1120
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1120
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1120
NETWORK SUPPORT EXP	NETSPX	5,450	1,432	1,078	262	58	34	0	1120
GENERAL SUPPORT EXP	GSFX	61,132	16,062	12,097	2,937	649	380	0	1120
COE EXPENSE	COEX	144,996	48,457	7,903	36,903	2,153	1,497	0	1120
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1120
C&WF EXPENSE	CWFX	236,418	57,683	54,683	0	1,976	1,025	0	1120
OTHER PROP & PL EXP	OTHPX	3,192	839	632	153	34	20	0	1120
NETWORK OPERATIONS EXP	NETOPX	134,268	35,278	26,568	6,451	1,425	834	0	1120
DEPREC & AMORT EXP	DEPAMX	853,260	230,275	156,053	55,070	11,785	7,367	0	1120
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1120
SERVICES EXPENSE	SERVX	233,862	64,295	20,655	13,528	2,973	1,396	25,743	1120
- CABSX EXPENSE	CABSX	28,803	14,402	0	10,667	2,356	1,379	0	1120
EXEC & PLANNING EXP	EXEPLX	195,325	53,607	30,397	13,921	2,142	1,198	5,949	1120
GENERAL & ADMIN EXP	GENADX	443,445	143,760	81,517	37,331	5,744	3,214	15,955	1120
OTHER TAXES (EXCL FIT & ITC)	OTAXES	172,974	45,448	34,227	8,311	1,835	1,074	0	1120
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1120
NON-OPERATING INC & EXP	NONOPX	7,234	2,235	1,683	409	90	53	0	1120
INTEREST & RELATED ITEMS(IRI)	INTREL	417	106	80	19	4	3	0	1120

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	129,074	33,233	15,359	15,803	907	1,163	0	1121
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1121
- GENERAL SUPPORT FACILITIES	GSF	464,605	174,461	80,631	82,961	4,761	6,108	0	1121
- CENTRAL OFFICE EQUIPMENT	COE	1,075,405	598,443	74,956	486,465	21,120	15,902	0	1121
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1121
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1121
-- COE CAT 3	COE3	674,784	486,465	0	486,465	0	0	0	1121
-- COE CAT 4.11	COE411	12,405	12,405	0	0	0	12,405	0	1121
-- COE CAT 4.12	COE412	18,607	0	0	0	0	0	0	1121
-- COE CAT 4.13	COE413	304,218	77,660	74,956	0	0	2,704	0	1121
-- COE CAT 4.2	COE42	65,391	21,913	0	0	21,120	793	0	1121
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1121
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1121
- CABLE & WIRE FACILITIES	CWF	1,648,939	424,558	397,849	0	6,797	19,912	0	1121
-- C&WF CAT 1.1	CWF11	8,971	0	0	0	0	0	0	1121
-- C&WF CAT 1.2	CWF12	14,353	14,353	0	0	0	14,353	0	1121
-- C&WF CAT 1.3	CWF13	1,591,395	397,849	397,849	0	0	0	0	1121
-- C&WF CAT 2	CWF2	13,175	5,304	0	0	0	5,304	0	1121
-- C&WF CAT 3	CWF3	21,045	7,052	0	0	6,797	255	0	1121
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1121
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1121
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1121
TELCOM PLANT-OTHER	PLTOTH	25	9	4	4	0	0	0	1121
ACCUM DEPRECIATION	ACCDEP	1,778,063	675,482	306,483	331,231	15,899	21,870	0	1121
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1121
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1121
NETWORK SUPPORT EXP	NETSPX	187	70	32	33	2	2	0	1121
GENERAL SUPPORT EXP	GSFX	8,959	3,364	1,555	1,600	92	118	0	1121
COE EXPENSE	COEX	87,571	48,732	3,347	43,731	943	710	0	1121
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1121
C&WF EXPENSE	CWFX	113,603	29,250	27,410	0	468	1,372	0	1121
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1121
NETWORK OPERATIONS EXP	NETOPX	21,570	8,100	3,743	3,852	221	284	0	1121
DEPREC & AMORT EXP	DEPAMX	204,645	85,757	31,322	50,762	1,508	2,164	0	1121
MARKETING EXPENSE	MRKTX	752	296	137	141	8	10	0	1121
SERVICES EXPENSE	SERVX	177,458	56,712	6,486	26,815	1,414	1,731	20,266	1121
- CABSX EXPENSE	CABSX	49,219	24,610	0	21,759	1,249	1,602	0	1121
EXEC & PLANNING EXP	EXEPLX	87,318	31,161	9,083	16,199	669	899	4,310	1121
GENERAL & ADMIN EXP	GENADX	257,386	114,905	33,494	59,735	2,469	3,315	15,892	1121
OTHER TAXES (EXCL FIT & ITC)	OTAXES	24,771	9,067	4,190	4,312	247	317	0	1121
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1121
NON-OPERATING INC & EXP	NONOPX	244	103	48	49	3	4	0	1121
INTEREST & RELATED ITEMS(IRI)	INTREL	108	39	18	19	1	1	0	1121

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	229,291	61,594	30,084	16,712	10,770	4,029	0	1122
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1122
- GENERAL SUPPORT FACILITIES	GSF	3,607,667	1,203,976	588,048	326,657	210,514	78,757	0	1122
- CENTRAL OFFICE EQUIPMENT	COE	6,653,655	3,207,150	246,542	1,971,523	829,426	159,659	0	1122
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1122
-- COE CAT 2	COE2	214,347	105,270	0	0	105,270	0	0	1122
-- COE CAT 3	COE3	3,284,602	1,971,523	0	1,971,523	0	0	0	1122
-- COE CAT 4.11	COE411	360,827	135,821	0	0	0	135,821	0	1122
-- COE CAT 4.12	COE412	39,383	0	0	0	0	0	0	1122
-- COE CAT 4.13	COE413	1,008,523	252,690	246,542	0	0	6,148	0	1122
-- COE CAT 4.2	COE42	1,200,500	548,835	0	0	531,145	17,690	0	1122
-- COE CAT 4.3	COE43	545,473	193,011	0	0	193,011	0	0	1122
- INFORMATION ORIG/TERM	IOT	126,554	31,639	31,639	0	0	0	0	1122
- CABLE & WIRE FACILITIES	CWF	14,993,673	4,027,747	3,270,951	0	441,119	315,677	0	1122
-- C&WF CAT 1.1	CWF11	215,036	0	0	0	0	0	0	1122
-- C&WF CAT 1.2	CWF12	81,565	81,565	0	0	0	81,565	0	1122
-- C&WF CAT 1.3	CWF13	13,083,802	3,270,951	3,270,951	0	0	0	0	1122
-- C&WF CAT 2	CWF2	524,124	210,611	0	0	0	210,611	0	1122
-- C&WF CAT 3	CWF3	626,024	300,749	0	0	277,248	23,501	0	1122
-- C&WF CAT 4	CWF4	463,122	163,872	0	0	163,872	0	0	1122
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1122
- INTANGIBLES	INTANG	656	219	107	59	38	14	0	1122
TELCOM PLANT-OTHER	PLTOTH	18,210	6,077	2,968	1,649	1,063	398	0	1122
ACCUM DEPRECIATION	ACCDEP	18,961,589	6,071,698	3,266,836	1,280,171	1,096,150	428,541	0	1122
ACCUM AMORTIZATION	ACCAMO	656	219	107	59	38	14	0	1122
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1122
NETWORK SUPPORT EXP	NETSPX	2,444	816	398	221	143	53	0	1122
GENERAL SUPPORT EXP	GSFX	200,801	67,013	32,730	18,182	11,717	4,384	0	1122
COE EXPENSE	COEX	504,136	243,000	3,006	217,599	20,448	1,947	0	1122
IOT EXPENSE	IOTX	306	77	77	0	0	0	0	1122
C&WF EXPENSE	CWFX	786,146	211,182	171,502	0	23,129	16,552	0	1122
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1122
NETWORK OPERATIONS EXP	NETOPX	211,404	70,551	34,459	19,142	12,336	4,615	0	1122
DEPREC & AMORT EXP	DEPAMX	1,627,707	577,370	237,683	197,493	106,727	35,466	0	1122
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1122
SERVICES EXPENSE	SERVX	644,686	196,697	22,121	51,638	31,415	11,082	80,442	1122
- CABSX EXPENSE	CABSX	172,474	86,237	0	45,736	29,474	11,027	0	1122
EXEC & PLANNING EXP	EXEPLX	357,430	120,134	45,283	43,735	14,140	5,507	11,468	1122
GENERAL & ADMIN EXP	GENADX	944,787	345,897	130,381	125,926	40,714	15,858	33,019	1122
OTHER TAXES (EXCL FIT & ITC)	OTAXES	270,229	90,776	44,337	24,629	15,872	5,938	0	1122
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1122
NON-OPERATING INC & EXP	NONOPX	6,918	2,476	1,209	672	433	162	0	1122
INTEREST & RELATED ITEMS(IRI)	INTREL	174,051	64,386	31,448	17,469	11,258	4,212	0	1122

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	5,132	1,428	1,024	102	19	282	0	1123
RTB STOCK	RTBSTK	203,599	58,371	41,866	4,189	770	11,545	0	1123
- GENERAL SUPPORT FACILITIES	GSF	1,147,808	329,071	236,025	23,618	4,343	65,085	0	1123
- CENTRAL OFFICE EQUIPMENT	COE	2,933,021	945,615	312,623	312,865	30,808	289,319	0	1123
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1123
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1123
-- COE CAT 3	COE3	1,077,874	312,865	0	312,865	0	0	0	1123
-- COE CAT 4.11	COE411	105,102	90,038	0	0	0	90,038	0	1123
-- COE CAT 4.12	COE412	77,449	0	0	0	0	0	0	1123
-- COE CAT 4.13	COE413	1,272,841	319,560	312,623	0	0	6,936	0	1123
-- COE CAT 4.2	COE42	399,755	223,152	0	0	30,808	192,345	0	1123
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1123
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1123
- CABLE & WIRE FACILITIES	CWF	12,271,920	3,413,562	2,813,981	0	26,720	572,860	0	1123
-- C&WF CAT 1.1	CWF11	139,435	0	0	0	0	0	0	1123
-- C&WF CAT 1.2	CWF12	62,746	62,746	0	0	0	62,746	0	1123
-- C&WF CAT 1.3	CWF13	11,255,924	2,813,981	2,813,981	0	0	0	0	1123
-- C&WF CAT 2	CWF2	432,856	232,507	0	0	0	232,507	0	1123
-- C&WF CAT 3	CWF3	380,959	304,328	0	0	26,720	277,608	0	1123
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1123
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1123
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1123
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1123
ACCUM DEPRECIATION	ACCDEP	6,967,858	2,009,616	1,412,242	155,381	28,903	413,090	0	1123
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1123
NET DEFERRED FIT	NTDFIT	172,662	49,501	35,505	3,553	653	9,791	0	1123
NETWORK SUPPORT EXP	NETSPX	47,728	13,683	9,814	982	181	2,706	0	1123
GENERAL SUPPORT EXP	GSFX	125,024	35,844	25,709	2,573	473	7,089	0	1123
COE EXPENSE	COEX	246,344	79,422	6,982	65,291	688	6,461	0	1123
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1123
C&WF EXPENSE	CWFX	209,941	58,397	48,140	0	457	9,800	0	1123
OTHER PROP & PL EXP	OTHPPX	807	231	166	17	3	46	0	1123
NETWORK OPERATIONS EXP	NETOPX	135,560	38,864	27,875	2,789	513	7,687	0	1123
DEPREC & AMORT EXP	DEPAMX	1,330,850	384,085	241,444	67,091	4,940	70,610	0	1123
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1123
SERVICES EXPENSE	SERVX	395,411	117,137	29,179	6,231	1,018	13,335	67,374	1123
- CABSX EXPENSE	CABSX	36,828	18,414	0	4,674	859	12,881	0	1123
EXEC & PLANNING EXP	EXEPLX	573,603	170,706	77,865	36,945	1,581	22,355	31,960	1123
GENERAL & ADMIN EXP	GENADX	699,467	232,691	106,139	50,360	2,155	30,472	43,565	1123
OTHER TAXES (EXCL FIT & ITC)	OTAXES	226,289	59,837	42,918	4,295	790	11,835	0	1123
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1123
NON-OPERATING INC & EXP	NONOPX	6,176	1,956	1,403	140	26	387	0	1123
INTEREST & RELATED ITEMS(IRI)	INTREL	395,777	112,965	81,024	8,108	1,491	22,343	0	1123

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	106,923	27,180	24,258	2,229	693	0	0	1124
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1124
- GENERAL SUPPORT FACILITIES	GSF	813,304	214,964	191,858	17,628	5,479	0	0	1124
- CENTRAL OFFICE EQUIPMENT	COE	5,709,380	1,623,885	1,241,108	369,888	12,889	0	0	1124
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1124
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1124
-- COE CAT 3	COE3	721,194	369,888	0	369,888	0	0	0	1124
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1124
-- COE CAT 4.12	COE412	3,998	0	0	0	0	0	0	1124
-- COE CAT 4.13	COE413	4,964,430	1,241,108	1,241,108	0	0	0	0	1124
-- COE CAT 4.2	COE42	19,758	12,889	0	0	12,889	0	0	1124
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1124
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1124
- CABLE & WIRE FACILITIES	CWF	11,356,452	2,886,784	2,784,711	0	102,073	0	0	1124
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1124
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1124
-- C&WF CAT 1.3	CWF13	11,138,842	2,784,711	2,784,711	0	0	0	0	1124
-- C&WF CAT 2	CWF2	61,142	0	0	0	0	0	0	1124
-- C&WF CAT 3	CWF3	156,468	102,073	0	0	102,073	0	0	1124
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1124
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1124
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1124
TELCOM PLANT-OTHER	PLTOTH	204,579	54,072	48,260	4,434	1,378	0	0	1124
ACCUM DEPRECIATION	ACCDEP	4,025,718	1,021,584	991,140	10,375	20,070	0	0	1124
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1124
NET DEFERRED FIT	NTDFIT	402,298	102,468	98,338	-275	4,406	0	0	1124
NETWORK SUPPORT EXP	NETSPX	39,332	10,396	9,278	852	265	0	0	1124
GENERAL SUPPORT EXP	GSFX	339,086	89,624	79,990	7,349	2,284	0	0	1124
COE EXPENSE	COEX	470,333	133,774	53,291	79,930	553	0	0	1124
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1124
C&WF EXPENSE	CWFX	481,351	122,358	118,032	0	4,326	0	0	1124
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1124
NETWORK OPERATIONS EXP	NETOPX	180,368	47,673	42,549	3,909	1,215	0	0	1124
DEPREC & AMORT EXP	DEPAMX	1,455,604	388,374	340,221	40,540	7,613	0	0	1124
MARKETING EXPENSE	MRKTX	388,055	117,280	104,674	9,617	2,989	0	0	1124
SERVICES EXPENSE	SERVX	478,318	121,696	45,051	27,675	8,574	0	40,396	1124
- CABSX EXPENSE	CABSX	64,577	32,289	0	24,633	7,656	0	0	1124
EXEC & PLANNING EXP	EXEPLX	260,147	70,657	51,629	12,957	2,024	0	4,047	1124
GENERAL & ADMIN EXP	GENADX	543,488	168,939	123,443	30,979	4,840	0	9,676	1124
OTHER TAXES (EXCL FIT & ITC)	OTAXES	300,502	80,371	71,732	6,591	2,048	0	0	1124
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1124
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1124
INTEREST & RELATED ITEMS(IRI)	INTREL	411,740	110,223	98,376	9,039	2,809	0	0	1124

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	45,594	11,674	6,892	2,873	363	1,545	0	1125
RTB STOCK	RTBSTK	698,900	222,228	131,209	54,696	6,907	29,416	0	1125
- GENERAL SUPPORT FACILITIES	GSF	2,818,114	896,071	529,063	220,547	27,850	118,611	0	1125
- CENTRAL OFFICE EQUIPMENT	COE	10,330,699	4,470,655	924,667	2,310,611	152,576	1,082,800	0	1125
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1125
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1125
-- COE CAT 3	COE3	5,016,546	2,295,301	0	2,295,301	0	0	0	1125
-- COE CAT 4.11	COE411	1,031,694	1,031,694	0	0	0	1,031,694	0	1125
-- COE CAT 4.12	COE412	193,013	0	0	0	0	0	0	1125
-- COE CAT 4.13	COE413	3,761,244	954,680	924,667	0	0	30,013	0	1125
-- COE CAT 4.2	COE42	303,467	173,669	0	0	152,576	21,093	0	1125
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1125
- INFORMATION ORIG/TERM	IOT	47,957	11,989	11,989	0	0	0	0	1125
- CABLE & WIRE FACILITIES	CWF	19,341,611	4,952,147	4,642,927	0	141,130	168,090	0	1125
-- C&WF CAT 1.1	CWF11	163,496	0	0	0	0	0	0	1125
-- C&WF CAT 1.2	CWF12	150,701	150,701	0	0	0	150,701	0	1125
-- C&WF CAT 1.3	CWF13	18,571,710	4,642,927	4,642,927	0	0	0	0	1125
-- C&WF CAT 2	CWF2	178,618	0	0	0	0	0	0	1125
-- C&WF CAT 3	CWF3	277,087	158,519	0	0	141,130	17,389	0	1125
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1125
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1125
- INTANGIBLES	INTANG	1	0	0	0	0	0	0	1125
TELCOM PLANT-OTHER	PLTOTH	97,994	31,159	18,397	7,669	968	4,124	0	1125
ACCUM DEPRECIATION	ACCDEP	14,207,796	4,417,722	2,668,836	1,237,717	116,182	394,988	0	1125
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1125
NET DEFERRED FIT	NTDFIT	3,718,029	1,182,215	698,011	290,974	36,743	156,487	0	1125
NETWORK SUPPORT EXP	NETSPX	14,829	4,715	2,784	1,161	147	624	0	1125
GENERAL SUPPORT EXP	GSFX	213,845	67,996	40,147	16,736	2,113	9,000	0	1125
COE EXPENSE	COEX	629,238	273,238	11,429	246,540	1,886	13,383	0	1125
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1125
C&WF EXPENSE	CWFX	927,392	237,446	222,619	0	6,767	8,060	0	1125
OTHER PROP & PL EXP	OTHPX	13,295	4,227	2,496	1,040	131	560	0	1125
NETWORK OPERATIONS EXP	NETOPX	433,408	137,810	81,367	33,919	4,283	18,242	0	1125
DEPREC & AMORT EXP	DEPAMX	1,365,369	432,257	257,318	106,368	13,247	55,324	0	1125
MARKETING EXPENSE	MRKTX	298,827	108,487	64,054	26,702	3,372	14,360	0	1125
SERVICES EXPENSE	SERVX	1,326,028	205,225	93,906	41,747	4,772	26,422	38,377	1125
- CABSX EXPENSE	CABSX	50,163	25,082	0	15,072	1,903	8,106	0	1125
EXEC & PLANNING EXP	EXEPLX	99,200	26,902	14,920	8,471	540	2,087	884	1125
GENERAL & ADMIN EXP	GENADX	758,038	212,808	118,024	67,005	4,275	16,513	6,991	1125
OTHER TAXES (EXCL FIT & ITC)	OTAXES	659,773	212,395	125,045	51,386	6,726	29,237	0	1125
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1125
NON-OPERATING INC & EXP	NONOPX	19,985	6,128	3,618	1,508	190	811	0	1125
INTEREST & RELATED ITEMS(IRI)	INTREL	422,049	136,849	80,799	33,682	4,253	18,114	0	1125

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	332,834	83,080	64,171	18,534	0	246	128	1126
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1126
- GENERAL SUPPORT FACILITIES	GSF	5,693,121	1,576,487	1,203,072	347,479	0	4,606	21,330	1126
- CENTRAL OFFICE EQUIPMENT	COE	9,975,040	3,696,047	958,578	2,733,799	0	3,671	0	1126
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1126
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1126
-- COE CAT 3	COE3	5,647,399	2,733,799	0	2,733,799	0	0	0	1126
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1126
-- COE CAT 4.12	COE412	42,015	0	0	0	0	0	0	1126
-- COE CAT 4.13	COE413	3,849,278	962,249	958,578	0	0	3,671	0	1126
-- COE CAT 4.2	COE42	436,348	0	0	0	0	0	0	1126
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1126
- INFORMATION ORIG/TERM	IOT	5,360	1,340	1,338	0	0	2	0	1126
- CABLE & WIRE FACILITIES	CWF	34,204,388	8,537,856	8,505,288	0	0	32,568	0	1126
-- C&WF CAT 1.1	CWF11	100,210	0	0	0	0	0	0	1126
-- C&WF CAT 1.2	CWF12	32,568	32,568	0	0	0	32,568	0	1126
-- C&WF CAT 1.3	CWF13	34,021,153	8,505,288	8,505,288	0	0	0	0	1126
-- C&WF CAT 2	CWF2	35,425	0	0	0	0	0	0	1126
-- C&WF CAT 3	CWF3	15,032	0	0	0	0	0	0	1126
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1126
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1126
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1126
TELCOM PLANT-OTHER	PLTOTH	420,289	116,203	89,895	25,964	0	344	0	1126
ACCUM DEPRECIATION	ACCDEP	19,953,517	5,271,679	4,493,475	748,512	0	17,203	12,488	1126
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1126
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1126
NETWORK SUPPORT EXP	NETSPX	8,774	2,430	1,877	542	0	7	4	1126
GENERAL SUPPORT EXP	GSFX	659,399	182,595	139,344	40,246	0	534	2,470	1126
COE EXPENSE	COEX	868,624	321,851	187,560	133,573	0	718	0	1126
IOT EXPENSE	IOTX	90	23	22	0	0	0	0	1126
C&WF EXPENSE	CWFX	2,210,479	551,764	549,659	0	0	2,105	0	1126
OTHER PROP & PL EXP	OTHPXX	0	0	0	0	0	0	0	1126
NETWORK OPERATIONS EXP	NETOPX	1,322,501	366,215	283,304	81,826	0	1,085	0	1126
DEPREC & AMORT EXP	DEPAMX	2,241,133	653,338	443,207	207,158	0	1,697	1,276	1126
MARKETING EXPENSE	MRKTX	892	280	216	62	0	1	0	1126
SERVICES EXPENSE	SERVX	1,050,521	247,713	50,913	38,668	0	288	157,844	1126
- CABSX EXPENSE	CABSX	43,997	21,999	0	21,711	0	288	0	1126
EXEC & PLANNING EXP	EXEPLX	221,640	60,473	44,604	10,175	0	163	5,531	1126
GENERAL & ADMIN EXP	GENADX	1,127,742	333,240	245,791	56,069	0	901	30,479	1126
OTHER TAXES (EXCL FIT & ITC)	OTAXES	306,194	84,657	65,491	18,916	0	251	0	1126
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1126
NON-OPERATING INC & EXP	NONOPX	8,000	2,334	1,803	521	0	7	4	1126
INTEREST & RELATED ITEMS(IRI)	INTREL	5,841	1,664	1,285	371	0	5	3	1126

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	624,752	170,545	106,816	27,754	15,827	20,149	0	1127
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1127
- GENERAL SUPPORT FACILITIES	GSF	3,794,786	1,170,663	733,209	190,507	108,640	138,306	0	1127
- CENTRAL OFFICE EQUIPMENT	COE	8,212,992	3,089,767	1,019,088	1,198,497	416,909	455,273	0	1127
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1127
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1127
-- COE CAT 3	COE3	2,361,984	1,198,497	0	1,198,497	0	0	0	1127
-- COE CAT 4.11	COE411	270,723	270,723	0	0	0	270,723	0	1127
-- COE CAT 4.12	COE412	82,373	0	0	0	0	0	0	1127
-- COE CAT 4.13	COE413	4,152,546	1,078,350	1,019,088	0	0	59,262	0	1127
-- COE CAT 4.2	COE42	749,292	342,312	0	0	217,023	125,288	0	1127
-- COE CAT 4.3	COE43	596,074	199,886	0	0	199,886	0	0	1127
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1127
- CABLE & WIRE FACILITIES	CWF	15,660,361	4,274,982	3,593,598	0	266,558	414,825	0	1127
-- C&WF CAT 1.1	CWF11	59,707	0	0	0	0	0	0	1127
-- C&WF CAT 1.2	CWF12	208,973	208,973	0	0	0	208,973	0	1127
-- C&WF CAT 1.3	CWF13	14,374,391	3,593,598	3,593,598	0	0	0	0	1127
-- C&WF CAT 2	CWF2	218,408	183,728	0	0	0	183,728	0	1127
-- C&WF CAT 3	CWF3	364,679	143,078	0	0	120,954	22,124	0	1127
-- C&WF CAT 4	CWF4	434,203	145,604	0	0	145,604	0	0	1127
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1127
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1127
TELCOM PLANT-OTHER	PLTOTH	500,330	154,348	96,671	25,118	14,324	18,235	0	1127
ACCUM DEPRECIATION	ACCDEP	16,799,481	5,156,680	3,267,622	723,783	516,708	648,567	0	1127
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1127
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1127
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1127
GENERAL SUPPORT EXP	GSFX	207,131	63,898	40,021	10,398	5,930	7,549	0	1127
COE EXPENSE	COEX	301,408	113,391	23,465	61,735	17,709	10,483	0	1127
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1127
C&WF EXPENSE	CWFX	521,394	142,331	119,645	0	8,875	13,811	0	1127
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1127
NETWORK OPERATIONS EXP	NETOPX	363,533	112,147	70,240	18,250	10,408	13,249	0	1127
DEPREC & AMORT EXP	DEPAMX	1,477,898	456,814	285,116	83,936	38,091	49,671	0	1127
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1127
SERVICES EXPENSE	SERVX	341,768	114,615	17,777	16,319	9,463	13,000	58,057	1127
- CABSX EXPENSE	CABSX	68,652	34,326	0	14,949	8,525	10,853	0	1127
EXEC & PLANNING EXP	EXEPLX	292,792	92,446	47,981	17,238	8,463	9,385	9,379	1127
GENERAL & ADMIN EXP	GENADX	377,410	155,923	80,927	29,074	14,273	15,829	15,819	1127
OTHER TAXES (EXCL FIT & ITC)	OTAXES	526,401	162,613	101,848	26,463	15,091	19,212	0	1127
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1127
NON-OPERATING INC & EXP	NONOPX	6,008	2,227	1,395	362	207	263	0	1127
INTEREST & RELATED ITEMS(IRI)	INTREL	47,319	14,612	9,004	2,828	1,207	1,573	0	1127

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	722,264	174,762	91,692	41,300	15,405	26,003	363	1128
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1128
- GENERAL SUPPORT FACILITIES	GSF	2,799,611	809,441	418,177	188,355	70,258	118,590	14,061	1128
- CENTRAL OFFICE EQUIPMENT	COE	8,156,022	2,946,620	428,524	1,412,805	405,009	700,282	0	1128
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1128
-- COE CAT 2	COE2	423,181	72,141	0	0	72,141	0	0	1128
-- COE CAT 3	COE3	3,467,652	1,412,805	0	1,412,805	0	0	0	1128
-- COE CAT 4.11	COE411	652,994	652,994	0	0	0	652,994	0	1128
-- COE CAT 4.12	COE412	236,701	0	0	0	0	0	0	1128
-- COE CAT 4.13	COE413	1,721,568	428,524	428,524	0	0	0	0	1128
-- COE CAT 4.2	COE42	673,858	173,772	0	0	126,484	47,288	0	1128
-- COE CAT 4.3	COE43	980,068	206,385	0	0	206,385	0	0	1128
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1128
- CABLE & WIRE FACILITIES	CWF	12,478,427	3,019,340	2,708,129	0	121,978	189,234	0	1128
-- C&WF CAT 1.1	CWF11	47,218	0	0	0	0	0	0	1128
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1128
-- C&WF CAT 1.3	CWF13	10,832,514	2,708,129	2,708,129	0	0	0	0	1128
-- C&WF CAT 2	CWF2	1,094,523	189,234	0	0	0	189,234	0	1128
-- C&WF CAT 3	CWF3	126,285	42,402	0	0	42,402	0	0	1128
-- C&WF CAT 4	CWF4	377,887	79,576	0	0	79,576	0	0	1128
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1128
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1128
TELCOM PLANT-OTHER	PLTOTH	37,274	10,755	5,654	2,547	950	1,603	0	1128
ACCUM DEPRECIATION	ACCDEP	17,801,000	5,003,794	2,900,605	977,893	412,821	699,163	13,312	1128
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1128
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1128
NETWORK SUPPORT EXP	NETSPX	2,210	639	335	151	56	95	1	1128
GENERAL SUPPORT EXP	GSFX	240,319	69,483	35,896	16,168	6,031	10,180	1,207	1128
COE EXPENSE	COEX	394,770	142,623	12,686	89,819	19,387	20,731	0	1128
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1128
C&WF EXPENSE	CWFX	387,946	93,869	84,194	0	3,792	5,883	0	1128
OTHER PROP & PL EXP	OTHPX	6,379	1,844	970	437	163	275	0	1128
NETWORK OPERATIONS EXP	NETOPX	235,256	68,019	35,761	16,108	6,008	10,141	0	1128
DEPREC & AMORT EXP	DEPAMX	1,280,857	382,824	179,821	88,050	41,001	73,290	662	1128
MARKETING EXPENSE	MRKTX	14,912	4,367	2,291	1,032	385	650	9	1128
SERVICES EXPENSE	SERVX	492,918	166,838	58,508	32,978	12,301	7,356	55,694	1128
- CABSX EXPENSE	CABSX	45,509	22,755	0	11,362	4,238	7,154	0	1128
EXEC & PLANNING EXP	EXEPLX	275,559	85,914	39,395	22,991	7,061	8,116	8,351	1128
GENERAL & ADMIN EXP	GENADX	437,116	173,630	79,617	46,465	14,270	16,402	16,876	1128
OTHER TAXES (EXCL FIT & ITC)	OTAXES	141,549	41,425	21,780	9,810	3,659	6,176	0	1128
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1128
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1128
INTEREST & RELATED ITEMS(IRI)	INTREL	40,799	12,491	4,935	4,155	1,267	2,125	9	1128

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	3,095,224	864,740	557,906	44,377	18,421	244,037	0	1129
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1129
- GENERAL SUPPORT FACILITIES	GSF	10,778,813	3,356,038	2,165,220	172,226	71,491	947,101	0	1129
- CENTRAL OFFICE EQUIPMENT	COE	12,258,624	5,630,559	940,209	1,102,199	193,612	3,394,538	0	1129
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1129
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1129
-- COE CAT 3	COE3	3,930,390	1,102,199	0	1,102,199	0	0	0	1129
-- COE CAT 4.11	COE411	2,361,862	2,361,862	0	0	0	2,361,862	0	1129
-- COE CAT 4.12	COE412	236,387	0	0	0	0	0	0	1129
-- COE CAT 4.13	COE413	3,818,817	961,394	940,209	0	0	21,185	0	1129
-- COE CAT 4.2	COE42	1,279,585	1,086,519	0	0	75,028	1,011,492	0	1129
-- COE CAT 4.3	COE43	631,583	118,584	0	0	118,584	0	0	1129
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1129
- CABLE & WIRE FACILITIES	CWF	56,722,820	15,847,163	12,916,605	0	263,910	2,666,648	0	1129
-- C&WF CAT 1.1	CWF11	505,482	0	0	0	0	0	0	1129
-- C&WF CAT 1.2	CWF12	291,035	291,035	0	0	0	291,035	0	1129
-- C&WF CAT 1.3	CWF13	51,666,418	12,916,605	12,916,605	0	0	0	0	1129
-- C&WF CAT 2	CWF2	3,016,491	2,367,801	0	0	0	2,367,801	0	1129
-- C&WF CAT 3	CWF3	275,582	90,008	0	0	82,197	7,812	0	1129
-- C&WF CAT 4	CWF4	967,811	181,713	0	0	181,713	0	0	1129
- TANGIBLES	TANGIB	95,007	29,581	19,085	1,518	630	8,348	0	1129
- INTANGIBLES	INTANG	562,199	175,044	112,933	8,983	3,729	49,399	0	1129
TELCOM PLANT-OTHER	PLTOTH	1,128,899	351,488	226,770	18,038	7,487	99,193	0	1129
ACCUM DEPRECIATION	ACCDEP	46,740,328	14,867,532	9,462,880	487,090	336,520	4,581,041	0	1129
ACCUM AMORTIZATION	ACCAMO	612,518	190,711	123,041	9,787	4,063	53,820	0	1129
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1129
NETWORK SUPPORT EXP	NETSPX	61,642	19,193	12,382	985	409	5,416	0	1129
GENERAL SUPPORT EXP	GSFX	428,526	133,424	86,081	6,847	2,842	37,653	0	1129
COE EXPENSE	COEX	1,342,162	616,474	71,172	251,879	36,461	256,962	0	1129
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1129
C&WF EXPENSE	CWFX	903,480	252,413	205,735	0	4,204	42,474	0	1129
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1129
NETWORK OPERATIONS EXP	NETOPX	1,513,401	471,205	304,008	24,181	10,038	132,978	0	1129
DEPREC & AMORT EXP	DEPAMX	5,756,660	1,923,722	1,095,963	96,135	47,351	684,272	0	1129
MARKETING EXPENSE	MRKTX	22,898	7,037	4,540	361	150	1,986	0	1129
SERVICES EXPENSE	SERVX	724,071	162,021	30,521	8,555	3,551	44,448	74,945	1129
- CABSX EXPENSE	CABSX	111,242	55,621	0	8,044	3,339	44,237	0	1129
EXEC & PLANNING EXP	EXEPLX	624,528	209,166	92,812	35,964	7,081	64,104	9,205	1129
GENERAL & ADMIN EXP	GENADX	2,437,509	866,210	384,356	148,936	29,326	265,472	38,121	1129
OTHER TAXES (EXCL FIT & ITC)	OTAXES	705,576	219,685	141,734	11,274	4,680	61,997	0	1129
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1129
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1129
INTEREST & RELATED ITEMS(IRI)	INTREL	382,423	114,827	74,083	5,893	2,446	32,405	0	1129

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	121,813	29,122	18,861	7,893	1,929	429	9	1130
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1130
- GENERAL SUPPORT FACILITIES	GSF	1,817,173	486,468	314,341	131,549	32,152	7,145	1,281	1130
- CENTRAL OFFICE EQUIPMENT	COE	4,381,263	1,446,423	192,131	1,011,274	198,162	44,855	0	1130
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1130
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1130
-- COE CAT 3	COE3	2,281,066	1,011,274	0	1,011,274	0	0	0	1130
-- COE CAT 4.11	COE411	300,278	44,855	0	0	0	44,855	0	1130
-- COE CAT 4.12	COE412	121,624	0	0	0	0	0	0	1130
-- COE CAT 4.13	COE413	780,259	192,131	192,131	0	0	0	0	1130
-- COE CAT 4.2	COE42	416,049	140,252	0	0	140,252	0	0	1130
-- COE CAT 4.3	COE43	481,987	57,910	0	0	57,910	0	0	1130
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1130
- CABLE & WIRE FACILITIES	CWF	9,551,328	2,283,418	2,224,339	0	49,004	10,075	0	1130
-- C&WF CAT 1.1	CWF11	135,838	0	0	0	0	0	0	1130
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1130
-- C&WF CAT 1.3	CWF13	8,897,357	2,224,339	2,224,339	0	0	0	0	1130
-- C&WF CAT 2	CWF2	227,805	10,075	0	0	0	10,075	0	1130
-- C&WF CAT 3	CWF3	85,372	24,378	0	0	24,378	0	0	1130
-- C&WF CAT 4	CWF4	204,956	24,625	0	0	24,625	0	0	1130
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1130
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1130
TELCOM PLANT-OTHER	PLTOTH	574,061	153,633	99,535	41,655	10,181	2,263	0	1130
ACCUM DEPRECIATION	ACCDEP	9,821,432	2,668,080	1,705,784	778,615	149,792	33,177	711	1130
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1130
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1130
NETWORK SUPPORT EXP	NETSPX	6,814	1,824	1,181	494	121	27	1	1130
GENERAL SUPPORT EXP	GSFX	36,388	9,741	6,295	2,634	644	143	26	1130
COE EXPENSE	COEX	168,221	55,536	2,556	49,748	2,636	597	0	1130
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1130
C&WF EXPENSE	CWFX	643,159	153,759	149,781	0	3,300	678	0	1130
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1130
NETWORK OPERATIONS EXP	NETOPX	126,767	33,936	21,986	9,201	2,249	500	0	1130
DEPREC & AMORT EXP	DEPAMX	1,153,195	355,135	139,965	187,169	22,799	5,105	97	1130
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1130
SERVICES EXPENSE	SERVX	226,575	70,278	12,390	21,570	5,203	1,027	30,088	1130
- CABSX EXPENSE	CABSX	48,824	24,413	0	18,797	4,594	1,021	0	1130
EXEC & PLANNING EXP	EXEPLX	348,328	93,760	58,300	22,662	3,834	805	8,159	1130
GENERAL & ADMIN EXP	GENADX	606,456	203,575	126,584	49,204	8,325	1,748	17,714	1130
OTHER TAXES (EXCL FIT & ITC)	OTAXES	93,156	24,931	16,152	6,760	1,652	367	0	1130
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1130
NON-OPERATING INC & EXP	NONOPX	2,215	690	447	187	46	10	0	1130
INTEREST & RELATED ITEMS(IRI)	INTREL	19,780	5,169	3,348	1,401	342	76	2	1130

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	761,522	208,749	103,691	60,422	30,880	12,890	866	1131
RTB STOCK	RTBSTK	928,282	337,948	167,868	97,819	49,991	20,868	1,402	1131
- GENERAL SUPPORT FACILITIES	GSF	7,698,146	2,802,564	1,349,247	786,226	401,809	167,726	97,557	1131
- CENTRAL OFFICE EQUIPMENT	COE	16,067,725	9,521,866	1,330,004	6,020,897	1,331,466	839,499	0	1131
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1131
-- COE CAT 2	COE2	121,922	66,815	0	0	66,815	0	0	1131
-- COE CAT 3	COE3	7,083,408	6,020,897	0	6,020,897	0	0	0	1131
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1131
-- COE CAT 4.12	COE412	66,488	0	0	0	0	0	0	1131
-- COE CAT 4.13	COE413	5,415,836	1,351,662	1,330,004	0	0	21,658	0	1131
-- COE CAT 4.2	COE42	3,032,751	2,009,117	0	0	1,191,276	817,841	0	1131
-- COE CAT 4.3	COE43	347,320	73,375	0	0	73,375	0	0	1131
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1131
- CABLE & WIRE FACILITIES	CWF	40,832,380	11,193,016	9,002,497	0	1,745,574	444,945	0	1131
-- C&WF CAT 1.1	CWF11	501,990	0	0	0	0	0	0	1131
-- C&WF CAT 1.2	CWF12	146,599	146,599	0	0	0	146,599	0	1131
-- C&WF CAT 1.3	CWF13	36,009,988	9,002,497	9,002,497	0	0	0	0	1131
-- C&WF CAT 2	CWF2	410,896	132,337	0	0	0	132,337	0	1131
-- C&WF CAT 3	CWF3	3,711,010	1,900,619	0	0	1,734,610	166,009	0	1131
-- C&WF CAT 4	CWF4	51,898	10,964	0	0	10,964	0	0	1131
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1131
- INTANGIBLES	INTANG	9,972	3,630	1,803	1,051	537	224	15	1131
TELCOM PLANT-OTHER	PLTOTH	3,982,015	1,443,667	720,095	419,610	214,446	89,516	0	1131
ACCUM DEPRECIATION	ACCDEP	23,092,779	8,741,119	4,052,330	3,027,381	1,148,140	452,991	60,278	1131
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1131
NET DEFERRED FIT	NTDFIT	1,158,343	409,065	213,827	103,710	64,295	27,233	0	1131
NETWORK SUPPORT EXP	NETSPX	22,558	8,212	4,079	2,377	1,215	507	34	1131
GENERAL SUPPORT EXP	GSFX	530,134	192,999	92,916	54,144	27,671	11,551	6,718	1131
COE EXPENSE	COEX	728,272	431,580	39,444	326,113	41,125	24,897	0	1131
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1131
C&WF EXPENSE	CWFX	1,426,137	390,934	314,427	0	60,967	15,540	0	1131
OTHER PROP & PL EXP	OTHPX	11,271	4,103	2,047	1,193	610	254	0	1131
NETWORK OPERATIONS EXP	NETOPX	600,767	218,713	109,093	63,570	32,488	13,562	0	1131
DEPREC & AMORT EXP	DEPAMX	3,532,368	1,399,167	590,305	514,809	197,663	88,732	7,658	1131
MARKETING EXPENSE	MRKTX	154,843	58,897	29,256	17,048	8,712	3,637	244	1131
SERVICES EXPENSE	SERVX	800,566	310,964	24,382	63,773	31,525	11,426	179,858	1131
- CABSX EXPENSE	CABSX	183,394	91,698	0	53,177	27,177	11,344	0	1131
EXEC & PLANNING EXP	EXEPLX	305,765	116,279	49,977	34,995	13,536	5,391	12,379	1131
GENERAL & ADMIN EXP	GENADX	1,453,025	601,386	258,480	180,992	70,007	27,883	64,025	1131
OTHER TAXES (EXCL FIT & ITC)	OTAXES	1,030,344	449,641	226,627	126,080	68,028	28,637	270	1131
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1131
NON-OPERATING INC & EXP	NONOPX	647	264	131	76	39	16	1	1131
INTEREST & RELATED ITEMS(IRI)	INTREL	1,036,644	367,159	182,378	106,274	54,312	22,672	1,523	1131

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	195,594	52,539	30,260	17,101	939	4,239	0	1132
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1132
- GENERAL SUPPORT FACILITIES	GSF	1,037,926	359,639	207,137	117,059	6,426	29,017	0	1132
- CENTRAL OFFICE EQUIPMENT	COE	1,717,059	845,448	221,964	556,381	12,169	54,934	0	1132
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1132
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1132
-- COE CAT 3	COE3	750,727	556,381	0	556,381	0	0	0	1132
-- COE CAT 4.11	COE411	54,934	54,934	0	0	0	54,934	0	1132
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1132
-- COE CAT 4.13	COE413	887,855	221,964	221,964	0	0	0	0	1132
-- COE CAT 4.2	COE42	23,543	12,169	0	0	12,169	0	0	1132
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1132
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1132
- CABLE & WIRE FACILITIES	CWF	3,216,194	863,912	762,558	0	18,372	82,982	0	1132
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1132
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1132
-- C&WF CAT 1.3	CWF13	3,050,231	762,558	762,558	0	0	0	0	1132
-- C&WF CAT 2	CWF2	130,419	82,982	0	0	0	82,982	0	1132
-- C&WF CAT 3	CWF3	35,544	18,372	0	0	18,372	0	0	1132
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1132
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1132
- INTANGIBLES	INTANG	1,695	587	338	191	10	47	0	1132
TELCOM PLANT-OTHER	PLTOTH	531,261	184,081	106,023	59,917	3,289	14,852	0	1132
ACCUM DEPRECIATION	ACCDEP	1,353,565	468,895	270,958	147,807	9,089	41,041	0	1132
ACCUM AMORTIZATION	ACCAMO	1,695	587	338	191	10	47	0	1132
NET DEFERRED FIT	NTDFIT	562,105	194,768	112,178	63,396	3,480	15,714	0	1132
NETWORK SUPPORT EXP	NETSPX	11,965	4,146	2,388	1,349	74	334	0	1132
GENERAL SUPPORT EXP	GSFX	63,820	22,113	12,736	7,198	395	1,784	0	1132
COE EXPENSE	COEX	56,866	28,000	3,493	23,451	191	864	0	1132
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1132
C&WF EXPENSE	CWFX	39,748	10,677	9,424	0	227	1,026	0	1132
OTHER PROP & PL EXP	OTHPX	4	1	1	0	0	0	0	1132
NETWORK OPERATIONS EXP	NETOPX	19,836	6,873	3,959	2,237	123	555	0	1132
DEPREC & AMORT EXP	DEPAMX	335,770	130,366	59,986	59,780	1,922	8,678	0	1132
MARKETING EXPENSE	MRKTX	39,739	14,511	8,358	4,723	259	1,171	0	1132
SERVICES EXPENSE	SERVX	22,611	4,823	544	3,204	176	794	106	1132
- CABSX EXPENSE	CABSX	8,316	4,158	0	3,192	175	791	0	1132
EXEC & PLANNING EXP	EXEPLX	179,959	65,789	29,524	30,434	1,043	4,712	76	1132
GENERAL & ADMIN EXP	GENADX	289,066	133,286	59,814	61,657	2,114	9,547	154	1132
OTHER TAXES (EXCL FIT & ITC)	OTAXES	94,699	34,963	20,130	11,419	619	2,795	0	1132
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1132
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1132
INTEREST & RELATED ITEMS(IRI)	INTREL	280,120	96,175	55,393	31,304	1,718	7,760	0	1132

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	38,311	11,477	3,123	5,092	2,385	877	0	1133
RTB STOCK	RTBSTK	43,450	21,054	5,729	9,341	4,376	1,608	0	1133
- GENERAL SUPPORT FACILITIES	GSF	879,697	426,261	115,981	189,124	88,592	32,565	0	1133
- CENTRAL OFFICE EQUIPMENT	COE	2,287,737	1,573,244	106,599	1,037,127	287,648	141,870	0	1133
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1133
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1133
-- COE CAT 3	COE3	1,220,150	1,005,275	0	1,005,275	0	0	0	1133
-- COE CAT 4.11	COE411	119,887	119,887	0	0	0	119,887	0	1133
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1133
-- COE CAT 4.13	COE413	441,115	114,367	106,599	0	0	7,768	0	1133
-- COE CAT 4.2	COE42	228,871	182,158	0	0	167,943	14,216	0	1133
-- COE CAT 4.3	COE43	241,622	119,705	0	0	119,705	0	0	1133
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1133
- CABLE & WIRE FACILITIES	CWF	2,684,554	804,250	548,958	0	213,097	42,195	0	1133
-- C&WF CAT 1.1	CWF11	35,790	0	0	0	0	0	0	1133
-- C&WF CAT 1.2	CWF12	40,001	40,001	0	0	0	40,001	0	1133
-- C&WF CAT 1.3	CWF13	2,195,830	548,958	548,958	0	0	0	0	1133
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1133
-- C&WF CAT 3	CWF3	35,602	28,354	0	0	26,159	2,195	0	1133
-- C&WF CAT 4	CWF4	377,331	186,938	0	0	186,938	0	0	1133
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1133
- INTANGIBLES	INTANG	35,396	17,151	4,667	7,610	3,565	1,310	0	1133
TELCOM PLANT-OTHER	PLTOTH	129,825	62,907	17,116	27,911	13,074	4,806	0	1133
ACCUM DEPRECIATION	ACCDEP	2,417,196	1,300,478	269,307	693,674	242,118	95,379	0	1133
ACCUM AMORTIZATION	ACCAMO	18,647	9,035	2,458	4,009	1,878	690	0	1133
NET DEFERRED FIT	NTDFIT	-29,911	-14,494	-3,944	-6,430	-3,012	-1,107	0	1133
NETWORK SUPPORT EXP	NETSPX	11,317	5,484	1,492	2,433	1,140	419	0	1133
GENERAL SUPPORT EXP	GSFX	63,762	30,896	8,407	13,708	6,421	2,360	0	1133
COE EXPENSE	COEX	288,119	202,147	28,659	58,014	77,333	38,141	0	1133
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1133
C&WF EXPENSE	CWFX	206,846	61,968	42,297	0	16,419	3,251	0	1133
OTHER PROP & PL EXP	OTHPPX	2,778	1,346	366	597	280	103	0	1133
NETWORK OPERATIONS EXP	NETOPX	73,234	35,486	9,655	15,744	7,375	2,711	0	1133
DEPREC & AMORT EXP	DEPAMX	410,894	218,826	46,446	111,606	43,421	17,353	0	1133
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1133
SERVICES EXPENSE	SERVX	136,450	55,539	7,847	22,849	9,909	2,990	11,944	1133
- CABSX EXPENSE	CABSX	47,094	23,547	0	14,352	6,723	2,471	0	1133
EXEC & PLANNING EXP	EXEPLX	119,089	60,247	15,813	17,122	17,958	7,549	1,804	1133
GENERAL & ADMIN EXP	GENADX	273,263	169,451	44,475	48,159	50,509	21,234	5,075	1133
OTHER TAXES (EXCL FIT & ITC)	OTAXES	0	0	0	0	0	0	0	1133
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1133
NON-OPERATING INC & EXP	NONOPX	5,720	3,455	940	1,533	718	264	0	1133
INTEREST & RELATED ITEMS(IRI)	INTREL	155,775	69,908	22,364	26,403	15,643	5,498	0	1133

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	91,445	24,783	7,688	8,423	4,107	4,566	0	1134
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1134
- GENERAL SUPPORT FACILITIES	GSF	2,622,675	1,222,277	379,143	415,388	202,566	225,180	0	1134
- CENTRAL OFFICE EQUIPMENT	COE	12,062,230	7,705,877	764,181	3,603,221	1,757,133	1,581,342	0	1134
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1134
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1134
-- COE CAT 3	COE3	4,239,084	3,603,221	0	3,603,221	0	0	0	1134
-- COE CAT 4.11	COE411	583,736	577,919	0	0	0	577,919	0	1134
-- COE CAT 4.12	COE412	302,059	226,546	0	0	0	226,546	0	1134
-- COE CAT 4.13	COE413	3,205,732	854,755	764,181	0	0	90,574	0	1134
-- COE CAT 4.2	COE42	3,731,619	2,443,436	0	0	1,757,133	686,303	0	1134
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1134
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1134
- CABLE & WIRE FACILITIES	CWF	10,687,789	2,896,587	2,524,637	0	0	371,950	0	1134
-- C&WF CAT 1.1	CWF11	193,052	0	0	0	0	0	0	1134
-- C&WF CAT 1.2	CWF12	299,231	299,231	0	0	0	299,231	0	1134
-- C&WF CAT 1.3	CWF13	10,098,548	2,524,637	2,524,637	0	0	0	0	1134
-- C&WF CAT 2	CWF2	96,958	72,719	0	0	0	72,719	0	1134
-- C&WF CAT 3	CWF3	0	0	0	0	0	0	0	1134
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1134
- TANGIBLES	TANGIB	324,680	86,570	77,397	0	0	9,173	0	1134
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1134
TELCOM PLANT-OTHER	PLTOTH	168,611	78,155	24,575	26,368	12,858	14,354	0	1134
ACCUM DEPRECIATION	ACCDEP	13,595,056	6,178,151	2,016,014	1,777,214	1,137,727	1,247,195	0	1134
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1134
NET DEFERRED FIT	NTDFIT	1,384,131	949,439	70,051	604,026	144,367	130,995	0	1134
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1134
GENERAL SUPPORT EXP	GSFX	133,056	62,010	19,235	21,074	10,277	11,424	0	1134
COE EXPENSE	COEX	730,487	466,667	43,048	235,554	98,984	89,081	0	1134
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1134
C&WF EXPENSE	CWFX	365,075	98,942	86,237	0	0	12,705	0	1134
OTHER PROP & PL EXP	OTHPX	5,045	2,338	725	795	388	431	0	1134
NETWORK OPERATIONS EXP	NETOPX	466,243	217,289	67,402	73,845	36,011	40,031	0	1134
DEPREC & AMORT EXP	DEPAMX	2,538,250	1,232,237	340,771	410,452	234,803	246,211	0	1134
MARKETING EXPENSE	MRKTX	76,718	36,472	11,313	12,396	6,044	6,719	0	1134
SERVICES EXPENSE	SERVX	464,074	174,163	23,592	67,858	31,150	26,028	25,536	1134
- CABSX EXPENSE	CABSX	194,271	97,136	0	47,856	23,337	25,943	0	1134
EXEC & PLANNING EXP	EXEPLX	319,902	151,617	40,185	56,871	25,270	25,762	3,529	1134
GENERAL & ADMIN EXP	GENADX	605,810	318,293	84,362	119,390	53,049	54,083	7,408	1134
OTHER TAXES (EXCL FIT & ITC)	OTAXES	380,923	189,022	60,477	64,360	30,116	34,069	0	1134
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1134
NON-OPERATING INC & EXP	NONOPX	11,096	5,800	1,799	1,971	961	1,069	0	1134
INTEREST & RELATED ITEMS(IRI)	INTREL	354,535	158,338	54,810	54,186	22,503	26,839	0	1134

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	41,080	11,029	6,068	3,007	364	1,590	0	1135
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1135
- GENERAL SUPPORT FACILITIES	GSF	713,437	254,256	139,888	69,318	8,392	36,657	0	1135
- CENTRAL OFFICE EQUIPMENT	COE	1,156,108	632,508	127,947	356,011	9,903	138,646	0	1135
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1135
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1135
-- COE CAT 3	COE3	462,088	356,011	0	356,011	0	0	0	1135
-- COE CAT 4.11	COE411	130,684	130,684	0	0	0	130,684	0	1135
-- COE CAT 4.12	COE412	37,731	11,283	0	0	9,903	1,380	0	1135
-- COE CAT 4.13	COE413	524,448	133,373	127,947	0	0	5,425	0	1135
-- COE CAT 4.2	COE42	1,157	1,157	0	0	0	1,157	0	1135
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1135
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1135
- CABLE & WIRE FACILITIES	CWF	2,508,015	673,320	590,500	0	33,198	49,622	0	1135
-- C&WF CAT 1.1	CWF11	33,385	0	0	0	0	0	0	1135
-- C&WF CAT 1.2	CWF12	25,039	25,039	0	0	0	25,039	0	1135
-- C&WF CAT 1.3	CWF13	2,361,999	590,500	590,500	0	0	0	0	1135
-- C&WF CAT 2	CWF2	64,587	34,776	0	0	33,198	1,578	0	1135
-- C&WF CAT 3	CWF3	23,005	23,005	0	0	0	23,005	0	1135
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1135
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1135
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1135
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1135
ACCUM DEPRECIATION	ACCDEP	2,108,526	781,442	399,661	244,813	24,148	112,820	0	1135
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1135
NET DEFERRED FIT	NTDFIT	225,610	80,403	44,237	21,921	2,654	11,592	0	1135
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1135
GENERAL SUPPORT EXP	GSFX	52,347	18,656	10,264	5,086	616	2,690	0	1135
COE EXPENSE	COEX	80,412	43,993	4,009	35,330	310	4,344	0	1135
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1135
C&WF EXPENSE	CWFX	71,305	19,143	16,788	0	944	1,411	0	1135
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1135
NETWORK OPERATIONS EXP	NETOPX	6,601	2,352	1,294	641	78	339	0	1135
DEPREC & AMORT EXP	DEPAMX	208,379	86,237	35,271	38,024	2,149	10,793	0	1135
MARKETING EXPENSE	MRKTX	12,114	3,844	2,115	1,048	127	554	0	1135
SERVICES EXPENSE	SERVX	53,641	22,613	5,761	4,986	549	1,246	10,071	1135
- CABSX EXPENSE	CABSX	7,729	3,865	0	2,343	284	1,239	0	1135
EXEC & PLANNING EXP	EXEPLX	107,000	43,906	15,971	18,694	1,041	4,202	3,998	1135
GENERAL & ADMIN EXP	GENADX	157,192	72,393	26,333	30,823	1,717	6,928	6,592	1135
OTHER TAXES (EXCL FIT & ITC)	OTAXES	34,353	13,501	7,622	3,478	456	1,946	0	1135
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1135
NON-OPERATING INC & EXP	NONOPX	1,609	708	390	193	23	102	0	1135
INTEREST & RELATED ITEMS(IRI)	INTREL	53,777	18,376	10,881	4,201	648	2,645	0	1135

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	57,728	15,517	8,261	5,611	47	1,599	0	1136
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1136
- GENERAL SUPPORT FACILITIES	GSF	477,458	172,475	91,821	62,363	522	17,768	0	1136
- CENTRAL OFFICE EQUIPMENT	COE	1,389,034	653,438	170,082	406,117	3,424	73,816	0	1136
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1136
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1136
-- COE CAT 3	COE3	590,153	380,970	0	380,970	0	0	0	1136
-- COE CAT 4.11	COE411	20,875	20,875	0	0	0	20,875	0	1136
-- COE CAT 4.12	COE412	59,390	44,234	0	0	3,424	40,810	0	1136
-- COE CAT 4.13	COE413	693,469	182,213	170,082	0	0	12,131	0	1136
-- COE CAT 4.2	COE42	0	0	0	0	0	0	0	1136
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1136
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1136
- CABLE & WIRE FACILITIES	CWF	1,912,776	514,145	464,900	0	188	49,058	0	1136
-- C&WF CAT 1.1	CWF11	2,763	0	0	0	0	0	0	1136
-- C&WF CAT 1.2	CWF12	33,158	33,158	0	0	0	33,158	0	1136
-- C&WF CAT 1.3	CWF13	1,859,598	464,900	464,900	0	0	0	0	1136
-- C&WF CAT 2	CWF2	17,257	16,088	0	0	188	15,900	0	1136
-- C&WF CAT 3	CWF3	0	0	0	0	0	0	0	1136
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1136
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1136
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1136
TELCOM PLANT-OTHER	PLTOTH	88,445	31,949	17,009	11,552	97	3,291	0	1136
ACCUM DEPRECIATION	ACCDEP	1,130,398	414,583	214,138	153,785	1,445	45,215	0	1136
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1136
NET DEFERRED FIT	NTDFIT	400,879	144,812	77,094	52,361	439	14,918	0	1136
NETWORK SUPPORT EXP	NETSPX	4,837	1,747	930	632	5	180	0	1136
GENERAL SUPPORT EXP	GSFX	38,364	13,858	7,378	5,011	42	1,428	0	1136
COE EXPENSE	COEX	69,678	34,040	8,425	21,788	170	3,657	0	1136
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1136
C&WF EXPENSE	CWFX	125,972	33,861	30,617	0	12	3,231	0	1136
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1136
NETWORK OPERATIONS EXP	NETOPX	16,452	5,943	3,164	2,149	18	612	0	1136
DEPREC & AMORT EXP	DEPAMX	211,101	84,415	36,008	40,822	228	7,357	0	1136
MARKETING EXPENSE	MRKTX	8,620	2,967	1,580	1,073	9	306	0	1136
SERVICES EXPENSE	SERVX	92,165	35,219	7,392	15,330	89	2,434	9,974	1136
- CABSX EXPENSE	CABSX	19,024	9,512	0	7,355	62	2,096	0	1136
EXEC & PLANNING EXP	EXEPLX	76,820	27,505	12,819	9,909	74	2,553	2,149	1136
GENERAL & ADMIN EXP	GENADX	232,810	120,488	56,155	43,408	326	11,184	9,415	1136
OTHER TAXES (EXCL FIT & ITC)	OTAXES	49,831	18,661	9,987	6,717	55	1,903	0	1136
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1136
NON-OPERATING INC & EXP	NONOPX	2,276	1,088	579	393	3	112	0	1136
INTEREST & RELATED ITEMS(IRI)	INTREL	11,653	4,178	2,256	1,492	12	418	0	1136

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	46,108	12,023	9,002	1,433	483	1,105	0	1137
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1137
- GENERAL SUPPORT FACILITIES	GSF	1,246,385	351,665	263,292	41,916	14,141	32,317	0	1137
- CENTRAL OFFICE EQUIPMENT	COE	2,716,309	846,270	497,062	238,770	3,896	106,542	0	1137
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1137
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1137
-- COE CAT 3	COE3	524,976	200,628	0	200,628	0	0	0	1137
-- COE CAT 4.11	COE411	68,685	68,685	0	0	0	68,685	0	1137
-- COE CAT 4.12	COE412	16,437	4,497	0	0	3,896	601	0	1137
-- COE CAT 4.13	COE413	2,056,552	534,319	497,062	0	0	37,256	0	1137
-- COE CAT 4.2	COE42	0	0	0	0	0	0	0	1137
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1137
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1137
- CABLE & WIRE FACILITIES	CWF	5,517,728	1,438,807	1,242,331	0	89,524	106,952	0	1137
-- C&WF CAT 1.1	CWF11	77,597	0	0	0	0	0	0	1137
-- C&WF CAT 1.2	CWF12	93,117	93,117	0	0	0	93,117	0	1137
-- C&WF CAT 1.3	CWF13	4,969,324	1,242,331	1,242,331	0	0	0	0	1137
-- C&WF CAT 2	CWF2	377,690	103,359	0	0	89,524	13,835	0	1137
-- C&WF CAT 3	CWF3	0	0	0	0	0	0	0	1137
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1137
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1137
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1137
TELCOM PLANT-OTHER	PLTOTH	260,370	73,463	55,002	8,756	2,954	6,751	0	1137
ACCUM DEPRECIATION	ACCDEP	5,801,440	1,653,617	1,203,589	239,649	66,642	143,736	0	1137
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1137
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1137
NETWORK SUPPORT EXP	NETSPX	8,295	2,340	1,752	279	94	215	0	1137
GENERAL SUPPORT EXP	GSFX	95,098	26,832	20,089	3,198	1,079	2,466	0	1137
COE EXPENSE	COEX	532,134	173,259	70,709	86,840	554	15,156	0	1137
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1137
C&WF EXPENSE	CWFX	171,167	44,634	38,539	0	2,777	3,318	0	1137
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1137
NETWORK OPERATIONS EXP	NETOPX	123,952	34,973	26,184	4,169	1,406	3,214	0	1137
DEPREC & AMORT EXP	DEPAMX	485,886	142,330	98,802	25,291	4,500	13,738	0	1137
MARKETING EXPENSE	MRKTX	26,875	10,161	7,608	1,211	409	934	0	1137
SERVICES EXPENSE	SERVX	210,198	89,028	30,311	21,062	6,691	13,298	17,666	1137
- CABSX EXPENSE	CABSX	66,847	33,424	0	15,853	5,348	12,222	0	1137
EXEC & PLANNING EXP	EXEPLX	215,266	71,205	37,077	21,419	2,387	7,081	3,241	1137
GENERAL & ADMIN EXP	GENADX	351,697	163,913	85,350	49,307	5,494	16,301	7,460	1137
OTHER TAXES (EXCL FIT & ITC)	OTAXES	70,506	20,182	15,110	2,406	812	1,855	0	1137
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1137
NON-OPERATING INC & EXP	NONOPX	19,753	8,192	6,133	976	329	753	0	1137
INTEREST & RELATED ITEMS(IRI)	INTREL	123	34	26	4	1	3	0	1137

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	55,257	14,155	8,998	4,077	439	641	0	1138
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1138
- GENERAL SUPPORT FACILITIES	GSF	827,807	269,140	171,082	77,524	8,346	12,188	0	1138
- CENTRAL OFFICE EQUIPMENT	COE	2,619,442	1,042,344	450,878	504,292	27,229	59,945	0	1138
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1138
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1138
-- COE CAT 3	COE3	660,481	504,292	0	504,292	0	0	0	1138
-- COE CAT 4.11	COE411	46,110	46,110	0	0	0	46,110	0	1138
-- COE CAT 4.12	COE412	90,479	29,276	0	0	27,229	2,047	0	1138
-- COE CAT 4.13	COE413	1,822,372	462,666	450,878	0	0	11,788	0	1138
-- COE CAT 4.2	COE42	0	0	0	0	0	0	0	1138
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1138
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1138
- CABLE & WIRE FACILITIES	CWF	2,765,448	708,412	662,009	0	27,061	19,341	0	1138
-- C&WF CAT 1.1	CWF11	10,384	0	0	0	0	0	0	1138
-- C&WF CAT 1.2	CWF12	17,307	17,307	0	0	0	17,307	0	1138
-- C&WF CAT 1.3	CWF13	2,648,037	662,009	662,009	0	0	0	0	1138
-- C&WF CAT 2	CWF2	89,719	29,095	0	0	27,061	2,034	0	1138
-- C&WF CAT 3	CWF3	0	0	0	0	0	0	0	1138
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1138
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1138
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1138
TELCOM PLANT-OTHER	PLTOTH	40	13	8	4	0	1	0	1138
ACCUM DEPRECIATION	ACCDEP	3,123,413	984,571	659,994	239,913	33,059	51,605	0	1138
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1138
NET DEFERRED FIT	NTDFIT	283,071	92,033	58,502	26,509	2,854	4,168	0	1138
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1138
GENERAL SUPPORT EXP	GSFX	99,354	32,302	20,533	9,304	1,002	1,463	0	1138
COE EXPENSE	COEX	113,766	45,270	14,745	27,674	890	1,960	0	1138
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1138
C&WF EXPENSE	CWFX	202,238	51,806	48,413	0	1,979	1,414	0	1138
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1138
NETWORK OPERATIONS EXP	NETOPX	43,310	14,081	8,951	4,056	437	638	0	1138
DEPREC & AMORT EXP	DEPAMX	320,691	110,579	63,283	38,748	3,238	5,310	0	1138
MARKETING EXPENSE	MRKTX	22,377	8,257	5,249	2,378	256	374	0	1138
SERVICES EXPENSE	SERVX	116,088	54,109	10,581	25,937	2,621	3,508	11,463	1138
- CABSX EXPENSE	CABSX	51,329	25,665	0	20,290	2,184	3,190	0	1138
EXEC & PLANNING EXP	EXEPLX	120,740	42,090	22,717	13,800	1,430	1,862	2,281	1138
GENERAL & ADMIN EXP	GENADX	322,368	133,961	72,303	43,921	4,550	5,926	7,260	1138
OTHER TAXES (EXCL FIT & ITC)	OTAXES	74,371	24,669	15,398	7,467	744	1,059	0	1138
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1138
NON-OPERATING INC & EXP	NONOPX	100	40	25	11	1	2	0	1138
INTEREST & RELATED ITEMS(IRI)	INTREL	326	109	69	31	3	5	0	1138

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	101,637	32,112	10,453	6,902	13,002	1,755	0	1139
RTB STOCK	RTBSTK	151,516	63,523	20,677	13,653	25,720	3,472	0	1139
- GENERAL SUPPORT FACILITIES	GSF	2,623,975	1,100,100	358,090	236,452	445,426	60,133	0	1139
- CENTRAL OFFICE EQUIPMENT	COE	4,448,484	2,508,510	207,010	960,933	1,215,963	124,604	0	1139
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1139
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1139
-- COE CAT 3	COE3	1,130,509	960,933	0	960,933	0	0	0	1139
-- COE CAT 4.11	COE411	42,169	41,352	0	0	0	41,352	0	1139
-- COE CAT 4.12	COE412	267,525	0	0	0	0	0	0	1139
-- COE CAT 4.13	COE413	843,557	213,543	207,010	0	0	6,533	0	1139
-- COE CAT 4.2	COE42	1,706,632	1,096,390	0	0	1,019,670	76,720	0	1139
-- COE CAT 4.3	COE43	458,092	196,292	0	0	196,292	0	0	1139
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1139
- CABLE & WIRE FACILITIES	CWF	6,215,279	1,962,265	1,248,257	0	594,235	119,774	0	1139
-- C&WF CAT 1.1	CWF11	54,165	0	0	0	0	0	0	1139
-- C&WF CAT 1.2	CWF12	39,393	39,393	0	0	0	39,393	0	1139
-- C&WF CAT 1.3	CWF13	4,993,026	1,248,257	1,248,257	0	0	0	0	1139
-- C&WF CAT 2	CWF2	161,993	51,770	0	0	0	51,770	0	1139
-- C&WF CAT 3	CWF3	845,552	572,036	0	0	543,425	28,611	0	1139
-- C&WF CAT 4	CWF4	121,150	50,810	0	0	50,810	0	0	1139
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1139
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1139
TELCOM PLANT-OTHER	PLTOTH	342,498	143,592	46,740	30,863	58,140	7,849	0	1139
ACCUM DEPRECIATION	ACCDEP	9,266,120	3,988,285	1,184,418	878,777	1,704,519	220,570	0	1139
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1139
NET DEFERRED FIT	NTDFIT	140,252	58,801	19,140	12,638	23,808	3,214	0	1139
NETWORK SUPPORT EXP	NETSPX	6,047	2,535	825	545	1,026	139	0	1139
GENERAL SUPPORT EXP	GSFX	102,151	42,827	13,940	9,205	17,340	2,341	0	1139
COE EXPENSE	COEX	626,674	353,383	33,844	100,368	198,799	20,372	0	1139
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1139
C&WF EXPENSE	CWFX	202,416	63,906	40,653	0	19,353	3,901	0	1139
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1139
NETWORK OPERATIONS EXP	NETOPX	29,511	12,372	4,027	2,659	5,010	676	0	1139
DEPREC & AMORT EXP	DEPAMX	739,920	340,332	99,800	144,338	83,267	12,928	0	1139
MARKETING EXPENSE	MRKTX	13,315	6,218	2,024	1,337	2,518	340	0	1139
SERVICES EXPENSE	SERVX	170,064	67,447	11,688	9,361	16,384	1,123	28,891	1139
- CABSX EXPENSE	CABSX	27,667	13,834	0	4,408	8,304	1,121	0	1139
EXEC & PLANNING EXP	EXEPLX	242,561	117,166	25,543	25,613	54,023	5,993	5,993	1139
GENERAL & ADMIN EXP	GENADX	369,322	206,078	44,927	45,050	95,018	10,541	10,541	1139
OTHER TAXES (EXCL FIT & ITC)	OTAXES	99,823	46,117	16,299	9,668	17,658	2,492	0	1139
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1139
NON-OPERATING INC & EXP	NONOPX	19,328	10,207	3,322	2,194	4,133	558	0	1139
INTEREST & RELATED ITEMS(IRI)	INTREL	133,295	52,732	20,490	10,704	18,730	2,807	0	1139

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	153,587	44,680	16,763	13,475	12,405	2,038	0	1140
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1140
- GENERAL SUPPORT FACILITIES	GSF	1,045,443	412,499	154,758	124,402	114,527	18,812	0	1140
- CENTRAL OFFICE EQUIPMENT	COE	2,578,249	1,489,763	112,436	849,168	515,917	12,242	0	1140
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1140
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1140
-- COE CAT 3	COE3	999,021	849,168	0	849,168	0	0	0	1140
-- COE CAT 4.11	COE411	4,512	3,760	0	0	0	3,760	0	1140
-- COE CAT 4.12	COE412	193,873	0	0	0	0	0	0	1140
-- COE CAT 4.13	COE413	451,113	112,436	112,436	0	0	0	0	1140
-- COE CAT 4.2	COE42	929,730	524,399	0	0	515,917	8,482	0	1140
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1140
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1140
- CABLE & WIRE FACILITIES	CWF	4,557,918	1,325,946	943,939	0	265,841	116,166	0	1140
-- C&WF CAT 1.1	CWF11	11,476	0	0	0	0	0	0	1140
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1140
-- C&WF CAT 1.3	CWF13	3,775,756	943,939	943,939	0	0	0	0	1140
-- C&WF CAT 2	CWF2	163,820	58,575	0	0	0	58,575	0	1140
-- C&WF CAT 3	CWF3	606,866	323,432	0	0	265,841	57,591	0	1140
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1140
- TANGIBLES	TANGIB	18,150	7,162	2,687	2,160	1,988	327	0	1140
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1140
TELCOM PLANT-OTHER	PLTOTH	393,425	155,233	58,239	46,816	43,099	7,079	0	1140
ACCUM DEPRECIATION	ACCDEP	3,805,504	1,837,435	428,370	943,839	413,474	51,753	0	1140
ACCUM AMORTIZATION	ACCAMO	11,236	4,433	1,663	1,337	1,231	202	0	1140
NET DEFERRED FIT	NTDFIT	64,642	25,506	9,569	7,692	7,081	1,163	0	1140
NETWORK SUPPORT EXP	NETSPX	16,628	6,561	2,461	1,979	1,822	299	0	1140
GENERAL SUPPORT EXP	GSFX	80,496	31,761	11,916	9,579	8,818	1,448	0	1140
COE EXPENSE	COEX	124,661	72,032	7,482	29,401	34,333	815	0	1140
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1140
C&WF EXPENSE	CWFX	101,614	29,561	21,044	0	5,927	2,590	0	1140
OTHER PROP & PL EXP	OTHPX	16,692	6,586	2,471	1,986	1,829	300	0	1140
NETWORK OPERATIONS EXP	NETOPX	115,689	45,647	17,126	13,766	12,674	2,082	0	1140
DEPREC & AMORT EXP	DEPAMX	381,579	135,981	56,433	13,059	59,688	6,801	0	1140
MARKETING EXPENSE	MRKTX	114	0	0	0	0	0	0	1140
SERVICES EXPENSE	SERVX	53,261	17,559	1,832	6,414	5,605	837	2,871	1140
- CABSX EXPENSE	CABSX	22,414	11,207	0	5,409	4,980	818	0	1140
EXEC & PLANNING EXP	EXEPLX	137,176	57,448	17,980	17,138	19,277	2,273	779	1140
GENERAL & ADMIN EXP	GENADX	274,532	133,068	41,648	39,697	44,653	5,264	1,805	1140
OTHER TAXES (EXCL FIT & ITC)	OTAXES	98,218	41,451	18,111	8,680	12,457	2,205	0	1140
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1140
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1140
INTEREST & RELATED ITEMS(IRI)	INTREL	98,622	31,782	11,924	9,585	8,824	1,449	0	1140

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	324,395	106,248	58,245	8,611	30,962	8,403	28	1141
RTB STOCK	RTBSTK	428,496	157,494	86,337	12,764	45,896	12,456	41	1141
- GENERAL SUPPORT FACILITIES	GSF	3,863,040	1,419,859	777,059	114,880	413,077	112,106	2,737	1141
- CENTRAL OFFICE EQUIPMENT	COE	7,222,009	3,353,732	1,194,765	735,794	1,028,835	394,338	0	1141
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1141
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1141
-- COE CAT 3	COE3	865,640	735,794	0	735,794	0	0	0	1141
-- COE CAT 4.11	COE411	251,911	251,911	0	0	0	251,911	0	1141
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1141
-- COE CAT 4.13	COE413	4,889,938	1,262,049	1,194,765	0	0	67,284	0	1141
-- COE CAT 4.2	COE42	1,214,520	1,103,978	0	0	1,028,835	75,143	0	1141
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1141
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1141
- CABLE & WIRE FACILITIES	CWF	17,472,741	5,722,813	3,782,231	0	1,616,890	323,691	0	1141
-- C&WF CAT 1.1	CWF11	137,999	0	0	0	0	0	0	1141
-- C&WF CAT 1.2	CWF12	212,999	212,999	0	0	0	212,999	0	1141
-- C&WF CAT 1.3	CWF13	15,128,926	3,782,231	3,782,231	0	0	0	0	1141
-- C&WF CAT 2	CWF2	72,146	0	0	0	0	0	0	1141
-- C&WF CAT 3	CWF3	1,920,671	1,727,582	0	0	1,616,890	110,692	0	1141
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1141
- TANGIBLES	TANGIB	21,640	7,954	4,353	644	2,314	628	15	1141
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1141
TELCOM PLANT-OTHER	PLTOTH	550,508	202,286	110,921	16,398	58,964	16,002	0	1141
ACCUM DEPRECIATION	ACCDEP	14,975,009	5,528,091	3,007,305	483,954	1,600,402	434,847	1,583	1141
ACCUM AMORTIZATION	ACCAMO	21,640	7,938	4,353	644	2,314	628	0	1141
NET DEFERRED FIT	NTDFIT	193,857	71,233	39,060	5,775	20,764	5,635	0	1141
NETWORK SUPPORT EXP	NETSPX	570	210	115	17	61	17	0	1141
GENERAL SUPPORT EXP	GSFX	432,064	158,805	86,911	12,849	46,201	12,539	306	1141
COE EXPENSE	COEX	590,316	274,129	34,438	198,669	29,655	11,367	0	1141
IOT EXPENSE	IOTX	7,250	1,813	1,813	0	0	0	0	1141
C&WF EXPENSE	CWFX	1,377,095	451,037	298,092	0	127,433	25,511	0	1141
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1141
NETWORK OPERATIONS EXP	NETOPX	259,669	95,441	52,334	7,737	27,820	7,550	0	1141
DEPREC & AMORT EXP	DEPAMX	2,467,376	935,765	486,242	97,872	273,050	78,364	238	1141
MARKETING EXPENSE	MRKTX	139,987	58,297	31,958	4,725	16,989	4,611	15	1141
SERVICES EXPENSE	SERVX	503,614	267,071	100,216	53,833	43,081	5,014	64,927	1141
- CABSX EXPENSE	CABSX	9,153	4,577	0	821	2,954	802	0	1141
EXEC & PLANNING EXP	EXEPLX	414,707	165,395	78,652	34,383	36,043	8,243	8,075	1141
GENERAL & ADMIN EXP	GENADX	764,457	343,624	163,407	71,434	74,882	17,126	16,776	1141
OTHER TAXES (EXCL FIT & ITC)	OTAXES	230,035	96,950	53,372	7,520	28,355	7,691	12	1141
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1141
NON-OPERATING INC & EXP	NONOPX	3,308	1,428	783	116	416	113	0	1141
INTEREST & RELATED ITEMS(IRI)	INTREL	562,637	205,380	113,458	15,294	60,248	16,332	48	1141

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	57,235	15,338	9,324	3,839	801	1,373	0	1142
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1142
- GENERAL SUPPORT FACILITIES	GSF	2,715,589	926,153	562,998	231,824	48,398	82,933	0	1142
- CENTRAL OFFICE EQUIPMENT	COE	6,410,871	2,947,015	1,028,088	1,435,831	121,311	361,784	0	1142
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1142
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1142
-- COE CAT 3	COE3	1,689,213	1,435,831	0	1,435,831	0	0	0	1142
-- COE CAT 4.11	COE411	378,614	331,913	0	0	0	331,913	0	1142
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1142
-- COE CAT 4.13	COE413	4,122,070	1,033,919	1,028,088	0	0	5,830	0	1142
-- COE CAT 4.2	COE42	220,974	145,352	0	0	121,311	24,041	0	1142
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1142
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1142
- CABLE & WIRE FACILITIES	CWF	10,408,482	2,789,233	2,458,915	0	178,447	151,872	0	1142
-- C&WF CAT 1.1	CWF11	9,296	0	0	0	0	0	0	1142
-- C&WF CAT 1.2	CWF12	13,945	13,945	0	0	0	13,945	0	1142
-- C&WF CAT 1.3	CWF13	9,835,659	2,458,915	2,458,915	0	0	0	0	1142
-- C&WF CAT 2	CWF2	201,331	88,827	0	0	0	88,827	0	1142
-- C&WF CAT 3	CWF3	348,251	227,546	0	0	178,447	49,100	0	1142
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1142
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1142
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1142
TELCOM PLANT-OTHER	PLTOTH	200,040	68,224	41,472	17,077	3,565	6,109	0	1142
ACCUM DEPRECIATION	ACCDEP	9,805,659	3,642,692	1,913,074	1,235,363	170,953	323,303	0	1142
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1142
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1142
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1142
GENERAL SUPPORT EXP	GSFX	181,842	62,017	37,700	15,523	3,241	5,553	0	1142
COE EXPENSE	COEX	241,679	111,097	14,765	89,395	1,742	5,196	0	1142
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1142
C&WF EXPENSE	CWFX	459,616	123,166	108,580	0	7,880	6,706	0	1142
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1142
NETWORK OPERATIONS EXP	NETOPX	375,106	127,930	77,767	32,022	6,685	11,456	0	1142
DEPREC & AMORT EXP	DEPAMX	1,391,746	555,637	255,910	230,097	23,344	46,287	0	1142
MARKETING EXPENSE	MRKTX	38,599	12,883	7,831	3,225	673	1,154	0	1142
SERVICES EXPENSE	SERVX	159,646	51,041	8,355	18,162	3,792	6,497	14,235	1142
- CABSX EXPENSE	CABSX	56,823	28,412	0	18,137	3,786	6,488	0	1142
EXEC & PLANNING EXP	EXEPLX	240,021	80,893	43,685	25,268	3,832	5,835	2,272	1142
GENERAL & ADMIN EXP	GENADX	524,151	203,275	109,776	63,496	9,630	14,663	5,709	1142
OTHER TAXES (EXCL FIT & ITC)	OTAXES	173,813	59,279	36,035	14,838	3,098	5,308	0	1142
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1142
NON-OPERATING INC & EXP	NONOPX	650	253	154	63	13	23	0	1142
INTEREST & RELATED ITEMS(IRI)	INTREL	255,181	79,296	48,203	19,848	4,144	7,101	0	1142

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	785,704	244,128	107,406	41,742	44,120	50,713	147	1143
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1143
- GENERAL SUPPORT FACILITIES	GSF	13,359,168	4,973,836	2,180,525	847,442	895,706	1,029,551	20,612	1143
- CENTRAL OFFICE EQUIPMENT	COE	28,414,714	13,684,175	2,592,848	5,019,798	3,174,083	2,897,447	0	1143
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1143
-- COE CAT 2	COE2	408,378	214,593	0	0	214,593	0	0	1143
-- COE CAT 3	COE3	7,895,383	5,019,798	0	5,019,798	0	0	0	1143
-- COE CAT 4.11	COE411	1,035,297	1,035,297	0	0	0	1,035,297	0	1143
-- COE CAT 4.12	COE412	107,278	0	0	0	0	0	0	1143
-- COE CAT 4.13	COE413	10,604,519	2,642,669	2,592,848	0	0	49,822	0	1143
-- COE CAT 4.2	COE42	5,759,259	3,636,572	0	0	1,824,244	1,812,328	0	1143
-- COE CAT 4.3	COE43	2,604,600	1,135,246	0	0	1,135,246	0	0	1143
- INFORMATION ORIG/TERM	IOT	10,611	2,603	2,603	0	0	0	0	1143
- CABLE & WIRE FACILITIES	CWF	50,379,419	15,653,510	10,320,829	0	2,131,610	3,201,071	0	1143
-- C&WF CAT 1.1	CWF11	729,652	0	0	0	0	0	0	1143
-- C&WF CAT 1.2	CWF12	198,316	198,316	0	0	0	198,316	0	1143
-- C&WF CAT 1.3	CWF13	41,283,318	10,320,829	10,320,829	0	0	0	0	1143
-- C&WF CAT 2	CWF2	3,761,902	2,983,735	0	0	0	2,983,735	0	1143
-- C&WF CAT 3	CWF3	1,890,558	1,054,144	0	0	1,035,123	19,021	0	1143
-- C&WF CAT 4	CWF4	2,515,674	1,096,487	0	0	1,096,487	0	0	1143
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1143
- INTANGIBLES	INTANG	848,357	315,857	138,964	54,007	57,083	65,613	190	1143
TELCOM PLANT-OTHER	PLTOTH	1,350,003	502,326	221,136	85,942	90,837	104,411	0	1143
ACCUM DEPRECIATION	ACCDEP	64,976,426	24,347,674	10,535,559	4,139,731	4,519,862	5,138,574	13,949	1143
ACCUM AMORTIZATION	ACCAMO	586,848	218,362	96,128	37,359	39,487	45,388	0	1143
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1143
NETWORK SUPPORT EXP	NETSPX	248,496	92,519	40,705	15,819	16,720	19,219	56	1143
GENERAL SUPPORT EXP	GSFX	692,728	257,914	113,069	43,943	46,446	53,386	1,069	1143
COE EXPENSE	COEX	850,758	409,715	70,979	100,434	158,983	79,318	0	1143
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1143
C&WF EXPENSE	CWFX	874,292	271,653	179,109	0	36,992	55,552	0	1143
OTHER PROP & PL EXP	OTHPX	30,680	11,423	5,029	1,954	2,066	2,374	0	1143
NETWORK OPERATIONS EXP	NETOPX	2,115,372	787,587	346,714	134,747	142,422	163,704	0	1143
DEPREC & AMORT EXP	DEPAMX	5,585,398	2,214,301	827,841	583,849	383,087	418,372	1,150	1143
MARKETING EXPENSE	MRKTX	95,653	40,597	17,861	6,942	7,337	8,433	24	1143
SERVICES EXPENSE	SERVX	597,726	151,075	18,355	14,145	14,950	14,322	89,305	1143
- CABSX EXPENSE	CABSX	76,135	38,068	0	11,635	12,298	14,135	0	1143
EXEC & PLANNING EXP	EXEPLX	542,837	198,829	82,020	30,182	40,426	37,616	8,585	1143
GENERAL & ADMIN EXP	GENADX	1,308,314	536,045	221,128	81,370	108,989	101,412	23,146	1143
OTHER TAXES (EXCL FIT & ITC)	OTAXES	827,223	309,452	136,228	52,944	55,959	64,321	0	1143
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1143
NON-OPERATING INC & EXP	NONOPX	7,814	3,102	1,365	530	561	644	2	1143
INTEREST & RELATED ITEMS(IRI)	INTREL	682,188	249,279	113,716	43,159	42,308	49,930	165	1143

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	942,621	276,347	110,288	111,012	31,244	23,803	0	1144
RTB STOCK	RTBSTK	291,626	120,411	48,055	48,370	13,614	10,372	0	1144
- GENERAL SUPPORT FACILITIES	GSF	3,021,347	1,247,495	497,867	501,133	141,042	107,454	0	1144
- CENTRAL OFFICE EQUIPMENT	COE	9,091,693	5,411,533	802,808	3,803,636	609,937	195,151	0	1144
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1144
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1144
-- COE CAT 3	COE3	4,474,866	3,803,636	0	3,803,636	0	0	0	1144
-- COE CAT 4.11	COE411	151,719	151,719	0	0	0	151,719	0	1144
-- COE CAT 4.12	COE412	26,001	0	0	0	0	0	0	1144
-- COE CAT 4.13	COE413	3,251,713	813,749	802,808	0	0	10,941	0	1144
-- COE CAT 4.2	COE42	1,136,373	616,019	0	0	583,528	32,491	0	1144
-- COE CAT 4.3	COE43	51,021	26,409	0	0	26,409	0	0	1144
- INFORMATION ORIG/TERM	IOT	12,487	3,080	3,080	0	0	0	0	1144
- CABLE & WIRE FACILITIES	CWF	13,828,081	4,053,975	2,972,963	0	460,580	620,433	0	1144
-- C&WF CAT 1.1	CWF11	109,397	0	0	0	0	0	0	1144
-- C&WF CAT 1.2	CWF12	40,517	40,517	0	0	0	40,517	0	1144
-- C&WF CAT 1.3	CWF13	11,891,853	2,972,963	2,972,963	0	0	0	0	1144
-- C&WF CAT 2	CWF2	876,035	565,266	0	0	0	565,266	0	1144
-- C&WF CAT 3	CWF3	319,959	169,670	0	0	155,021	14,649	0	1144
-- C&WF CAT 4	CWF4	590,320	305,558	0	0	305,558	0	0	1144
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1144
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1144
TELCOM PLANT-OTHER	PLTOTH	371,036	153,198	61,140	61,542	17,321	13,196	0	1144
ACCUM DEPRECIATION	ACCDEP	12,564,348	5,629,034	1,911,309	2,805,613	502,174	409,939	0	1144
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1144
NET DEFERRED FIT	NTDFIT	1,984,953	819,436	327,134	328,996	92,700	70,606	0	1144
NETWORK SUPPORT EXP	NETSPX	28,472	11,756	4,692	4,722	1,329	1,013	0	1144
GENERAL SUPPORT EXP	GSFX	445,636	184,000	73,433	73,915	20,803	15,849	0	1144
COE EXPENSE	COEX	774,318	460,887	123,885	178,625	128,263	30,115	0	1144
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1144
C&WF EXPENSE	CWFX	1,418,348	415,817	304,937	0	47,242	63,638	0	1144
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1144
NETWORK OPERATIONS EXP	NETOPX	251,769	103,954	41,487	41,759	11,753	8,954	0	1144
DEPREC & AMORT EXP	DEPAMX	1,325,333	632,686	184,175	345,106	63,014	40,392	0	1144
MARKETING EXPENSE	MRKTX	16,968	6,611	2,638	2,656	747	569	0	1144
SERVICES EXPENSE	SERVX	433,848	116,281	20,889	60,644	17,068	11,791	5,888	1144
- CABSX EXPENSE	CABSX	163,892	81,946	0	54,782	15,418	11,746	0	1144
EXEC & PLANNING EXP	EXEPLX	155,837	59,876	27,274	16,241	10,184	5,914	264	1144
GENERAL & ADMIN EXP	GENADX	671,416	283,808	129,276	76,979	48,272	28,030	1,251	1144
OTHER TAXES (EXCL FIT & ITC)	OTAXES	248,771	134,020	57,161	47,871	16,624	12,365	0	1144
INVESTMENT TAX CREDITS (ITC)	ITC	11,362	4,691	1,872	1,885	530	404	0	1144
NON-OPERATING INC & EXP	NONOPX	7,607	3,286	1,311	1,320	371	283	0	1144
INTEREST & RELATED ITEMS(IRI)	INTREL	235,049	86,811	40,556	25,275	12,182	8,799	0	1144

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	646,937	184,520	72,641	49,294	43,947	18,638	0	1145
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1145
- GENERAL SUPPORT FACILITIES	GSF	5,006,120	1,887,801	743,180	504,324	449,612	190,686	0	1145
- CENTRAL OFFICE EQUIPMENT	COE	9,330,401	5,004,627	693,174	2,569,476	1,546,958	195,019	0	1145
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1145
-- COE CAT 2	COE2	409,033	217,549	0	0	217,549	0	0	1145
-- COE CAT 3	COE3	3,022,913	2,569,476	0	2,569,476	0	0	0	1145
-- COE CAT 4.11	COE411	43,821	39,058	0	0	0	39,058	0	1145
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1145
-- COE CAT 4.13	COE413	2,833,891	714,907	693,174	0	0	21,733	0	1145
-- COE CAT 4.2	COE42	2,168,668	1,057,598	0	0	923,370	134,228	0	1145
-- COE CAT 4.3	COE43	852,075	406,039	0	0	406,039	0	0	1145
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1145
- CABLE & WIRE FACILITIES	CWF	16,175,223	4,613,509	3,093,243	0	743,764	776,502	0	1145
-- C&WF CAT 1.1	CWF11	176,100	0	0	0	0	0	0	1145
-- C&WF CAT 1.2	CWF12	96,983	96,983	0	0	0	96,983	0	1145
-- C&WF CAT 1.3	CWF13	12,372,973	3,093,243	3,093,243	0	0	0	0	1145
-- C&WF CAT 2	CWF2	76,137	53,448	0	0	0	53,448	0	1145
-- C&WF CAT 3	CWF3	2,431,936	883,253	0	0	257,182	626,071	0	1145
-- C&WF CAT 4	CWF4	1,021,094	486,582	0	0	486,582	0	0	1145
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1145
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1145
TELCOM PLANT-OTHER	PLTOTH	765,872	288,809	113,697	77,155	68,785	29,172	0	1145
ACCUM DEPRECIATION	ACCDEP	22,448,649	8,693,835	3,225,984	2,511,308	2,126,158	830,385	0	1145
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1145
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1145
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1145
GENERAL SUPPORT EXP	GSFX	198,187	74,736	29,422	19,966	17,800	7,549	0	1145
COE EXPENSE	COEX	588,320	315,562	21,238	228,289	60,060	5,975	0	1145
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1145
C&WF EXPENSE	CWFX	670,737	191,308	128,267	0	30,842	32,199	0	1145
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1145
NETWORK OPERATIONS EXP	NETOPX	92,241	34,784	13,694	9,293	8,284	3,514	0	1145
DEPREC & AMORT EXP	DEPAMX	1,952,587	827,259	259,303	333,657	167,810	66,488	0	1145
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1145
SERVICES EXPENSE	SERVX	326,396	82,477	22,580	23,732	12,138	7,762	16,264	1145
- CABSX EXPENSE	CABSX	39,748	19,875	0	8,757	7,807	3,311	0	1145
EXEC & PLANNING EXP	EXEPLX	290,342	108,300	37,385	41,241	18,932	8,357	2,385	1145
GENERAL & ADMIN EXP	GENADX	786,044	323,233	111,580	123,088	56,505	24,943	7,117	1145
OTHER TAXES (EXCL FIT & ITC)	OTAXES	144,499	54,490	21,451	14,557	12,978	5,504	0	1145
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1145
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1145
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1145

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	546,313	184,831	74,106	36,319	14,195	60,211	0	1146
RTB STOCK	RTBSTK	255,800	106,496	42,698	20,926	8,179	34,692	0	1146
- GENERAL SUPPORT FACILITIES	GSF	10,642,974	4,430,922	1,776,533	870,664	340,292	1,443,432	0	1146
- CENTRAL OFFICE EQUIPMENT	COE	34,381,819	18,976,848	3,046,894	7,708,188	2,309,500	5,912,266	0	1146
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1146
-- COE CAT 2	COE2	2,487,506	1,137,313	0	0	1,137,313	0	0	1146
-- COE CAT 3	COE3	10,742,521	7,603,515	0	7,603,515	0	0	0	1146
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1146
-- COE CAT 4.12	COE412	25,058	0	0	0	0	0	0	1146
-- COE CAT 4.13	COE413	13,236,442	3,957,442	3,046,894	0	0	910,548	0	1146
-- COE CAT 4.2	COE42	7,079,252	5,876,930	0	0	875,211	5,001,718	0	1146
-- COE CAT 4.3	COE43	634,387	296,976	0	0	296,976	0	0	1146
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1146
- CABLE & WIRE FACILITIES	CWF	61,122,410	20,679,147	12,894,743	0	744,097	7,040,307	0	1146
-- C&WF CAT 1.1	CWF11	585,379	0	0	0	0	0	0	1146
-- C&WF CAT 1.2	CWF12	3,853,526	3,853,526	0	0	0	3,853,526	0	1146
-- C&WF CAT 1.3	CWF13	51,578,972	12,894,743	12,894,743	0	0	0	0	1146
-- C&WF CAT 2	CWF2	20,747	0	0	0	0	0	0	1146
-- C&WF CAT 3	CWF3	4,585,686	3,697,702	0	0	510,921	3,186,781	0	1146
-- C&WF CAT 4	CWF4	498,100	233,176	0	0	233,176	0	0	1146
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1146
- INTANGIBLES	INTANG	108,875	45,327	18,173	8,907	3,481	14,766	0	1146
TELCOM PLANT-OTHER	PLTOTH	791,183	329,388	132,065	64,724	25,297	107,303	0	1146
ACCUM DEPRECIATION	ACCDEP	71,392,063	30,862,588	11,245,364	7,297,158	2,560,125	9,759,941	0	1146
ACCUM AMORTIZATION	ACCAMO	94,861	39,493	15,834	7,760	3,033	12,865	0	1146
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1146
NETWORK SUPPORT EXP	NETSPX	21,909	9,121	3,657	1,792	701	2,971	0	1146
GENERAL SUPPORT EXP	GSFX	586,896	244,339	97,965	48,012	18,765	79,597	0	1146
COE EXPENSE	COEX	1,944,552	1,079,204	66,732	748,372	134,613	129,488	0	1146
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1146
C&WF EXPENSE	CWFX	2,068,336	699,767	436,348	0	25,180	238,239	0	1146
OTHER PROP & PL EXP	OTHPX	-999	-416	-167	-82	-32	-135	0	1146
NETWORK OPERATIONS EXP	NETOPX	1,796,329	747,854	299,845	146,951	57,435	243,624	0	1146
DEPREC & AMORT EXP	DEPAMX	7,748,946	3,424,185	1,177,317	882,201	296,186	1,068,480	0	1146
MARKETING EXPENSE	MRKTX	184,494	47,401	19,005	9,314	3,640	15,441	0	1146
SERVICES EXPENSE	SERVX	2,239,668	693,922	50,430	260,748	55,678	238,025	89,042	1146
- CABSX EXPENSE	CABSX	861,645	430,823	0	141,314	55,231	234,277	0	1146
EXEC & PLANNING EXP	EXEPLX	698,929	277,984	76,879	95,928	23,366	74,782	7,030	1146
GENERAL & ADMIN EXP	GENADX	2,614,363	1,102,310	304,853	380,390	92,656	296,536	27,875	1146
OTHER TAXES (EXCL FIT & ITC)	OTAXES	774,053	322,257	129,206	63,323	24,749	104,979	0	1146
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1146
NON-OPERATING INC & EXP	NONOPX	35,188	15,046	6,033	2,956	1,156	4,901	0	1146
INTEREST & RELATED ITEMS(IRI)	INTREL	12,890	4,953	1,986	973	380	1,614	0	1146

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	132,605	40,402	22,228	7,808	5,189	5,177	0	1147
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1147
- GENERAL SUPPORT FACILITIES	GSF	1,060,973	375,249	206,447	72,521	48,194	48,087	0	1147
- CENTRAL OFFICE EQUIPMENT	COE	9,907,423	4,903,540	1,338,618	2,629,168	375,430	560,324	0	1147
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1147
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1147
-- COE CAT 3	COE3	3,093,139	2,629,168	0	2,629,168	0	0	0	1147
-- COE CAT 4.11	COE411	326,545	310,493	0	0	0	310,493	0	1147
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1147
-- COE CAT 4.13	COE413	5,456,000	1,375,215	1,338,618	0	0	36,598	0	1147
-- COE CAT 4.2	COE42	472,239	213,233	0	0	0	213,233	0	1147
-- COE CAT 4.3	COE43	559,500	375,430	0	0	375,430	0	0	1147
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1147
- CABLE & WIRE FACILITIES	CWF	28,557,162	8,700,770	6,145,925	0	1,371,802	1,183,043	0	1147
-- C&WF CAT 1.1	CWF11	298,116	0	0	0	0	0	0	1147
-- C&WF CAT 1.2	CWF12	168,029	168,029	0	0	0	168,029	0	1147
-- C&WF CAT 1.3	CWF13	24,583,699	6,145,925	6,145,925	0	0	0	0	1147
-- C&WF CAT 2	CWF2	700,841	623,224	0	0	0	623,224	0	1147
-- C&WF CAT 3	CWF3	762,094	391,790	0	0	0	391,790	0	1147
-- C&WF CAT 4	CWF4	2,044,384	1,371,802	0	0	1,371,802	0	0	1147
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1147
- INTANGIBLES	INTANG	173,611	61,403	33,782	11,867	7,886	7,869	0	1147
TELCOM PLANT-OTHER	PLTOTH	335,504	118,662	65,283	22,933	15,240	15,206	0	1147
ACCUM DEPRECIATION	ACCDEP	19,343,570	7,734,339	3,402,681	2,658,638	811,738	861,282	0	1147
ACCUM AMORTIZATION	ACCAMO	173,830	61,481	33,824	11,882	7,896	7,879	0	1147
NET DEFERRED FIT	NTDFIT	-19,196	-115,127	38,686	-172,265	9,114	9,338	0	1147
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1147
GENERAL SUPPORT EXP	GSFX	388,487	137,402	75,593	26,554	17,647	17,608	0	1147
COE EXPENSE	COEX	993,628	491,782	50,300	406,320	14,107	21,055	0	1147
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1147
C&WF EXPENSE	CWFX	1,178,933	359,196	253,724	0	56,632	48,840	0	1147
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1147
NETWORK OPERATIONS EXP	NETOPX	721,299	255,112	140,352	49,303	32,765	32,692	0	1147
DEPREC & AMORT EXP	DEPAMX	3,006,882	990,033	610,825	70,826	147,345	161,036	0	1147
MARKETING EXPENSE	MRKTX	82,561	35,444	19,500	6,850	4,552	4,542	0	1147
SERVICES EXPENSE	SERVX	975,326	143,237	71,963	39,810	19,533	11,930	0	1147
- CABSX EXPENSE	CABSX	53,058	26,530	0	11,398	7,574	7,558	0	1147
EXEC & PLANNING EXP	EXEPLX	249,202	82,542	37,860	29,146	8,004	7,532	0	1147
GENERAL & ADMIN EXP	GENADX	1,410,654	495,689	227,361	175,028	48,068	45,232	0	1147
OTHER TAXES (EXCL FIT & ITC)	OTAXES	300,765	106,376	58,524	20,558	13,662	13,632	0	1147
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1147
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1147
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1147

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	440,724	143,449	59,969	41,753	21,051	20,676	0	1148
RTB STOCK	RTBSTK	366,305	145,934	61,008	42,477	21,415	21,035	0	1148
- GENERAL SUPPORT FACILITIES	GSF	879,368	350,336	146,458	101,971	51,411	50,496	0	1148
- CENTRAL OFFICE EQUIPMENT	COE	4,741,691	3,014,267	375,880	2,339,407	135,932	163,049	0	1148
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1148
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1148
-- COE CAT 3	COE3	2,752,243	2,339,407	0	2,339,407	0	0	0	1148
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1148
-- COE CAT 4.12	COE412	43,728	0	0	0	0	0	0	1148
-- COE CAT 4.13	COE413	1,578,215	407,892	375,880	0	0	32,012	0	1148
-- COE CAT 4.2	COE42	367,505	266,968	0	0	135,932	131,037	0	1148
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1148
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1148
- CABLE & WIRE FACILITIES	CWF	15,432,577	5,023,066	2,984,117	0	1,043,521	995,428	0	1148
-- C&WF CAT 1.1	CWF11	338,864	0	0	0	0	0	0	1148
-- C&WF CAT 1.2	CWF12	254,148	254,148	0	0	0	254,148	0	1148
-- C&WF CAT 1.3	CWF13	11,936,467	2,984,117	2,984,117	0	0	0	0	1148
-- C&WF CAT 2	CWF2	893,608	535,202	0	0	0	535,202	0	1148
-- C&WF CAT 3	CWF3	2,009,491	1,249,600	0	0	1,043,521	206,079	0	1148
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1148
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1148
- INTANGIBLES	INTANG	4,813	1,917	802	558	281	276	0	1148
TELCOM PLANT-OTHER	PLTOTH	1,164,572	463,960	193,958	135,044	68,085	66,874	0	1148
ACCUM DEPRECIATION	ACCDEP	7,498,074	3,104,695	1,205,613	1,055,141	423,743	420,198	0	1148
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1148
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1148
NETWORK SUPPORT EXP	NETSPX	1,800	717	300	209	105	103	0	1148
GENERAL SUPPORT EXP	GSFX	85,991	34,258	14,322	9,972	5,027	4,938	0	1148
COE EXPENSE	COEX	107,033	68,040	11,792	46,868	4,264	5,115	0	1148
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1148
C&WF EXPENSE	CWFX	283,101	92,145	54,742	0	19,143	18,261	0	1148
OTHER PROP & PL EXP	OTHPX	3,139	1,251	523	364	184	180	0	1148
NETWORK OPERATIONS EXP	NETOPX	175,285	69,833	29,193	20,326	10,248	10,065	0	1148
DEPREC & AMORT EXP	DEPAMX	1,114,322	452,910	182,339	141,753	64,213	64,604	0	1148
MARKETING EXPENSE	MRKTX	38,009	14,239	5,952	4,144	2,089	2,052	0	1148
SERVICES EXPENSE	SERVX	171,359	65,017	7,227	7,948	3,692	2,427	43,723	1148
- CABSX EXPENSE	CABSX	19,599	9,800	0	4,902	2,471	2,427	0	1148
EXEC & PLANNING EXP	EXEPLX	115,559	46,128	16,562	11,993	5,975	5,760	5,837	1148
GENERAL & ADMIN EXP	GENADX	274,150	124,696	44,772	32,421	16,152	15,571	15,780	1148
OTHER TAXES (EXCL FIT & ITC)	OTAXES	56,783	22,622	9,457	6,585	3,320	3,261	0	1148
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1148
NON-OPERATING INC & EXP	NONOPX	4	2	1	1	0	0	0	1148
INTEREST & RELATED ITEMS(IRI)	INTREL	1,361	529	221	154	78	76	0	1148

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	106,725	48,232	13,775	8,798	4,322	21,337	0	1149
RTB STOCK	RTBSTK	37,450	18,443	5,268	3,364	1,653	8,159	0	1149
- GENERAL SUPPORT FACILITIES	GSF	2,967,224	1,461,286	417,359	266,554	130,934	646,439	0	1149
- CENTRAL OFFICE EQUIPMENT	COE	2,114,283	1,251,725	207,739	656,221	66,893	320,872	0	1149
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1149
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1149
-- COE CAT 3	COE3	772,025	656,221	0	656,221	0	0	0	1149
-- COE CAT 4.11	COE411	140,735	136,239	0	0	0	136,239	0	1149
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1149
-- COE CAT 4.13	COE413	850,415	212,604	207,739	0	0	4,865	0	1149
-- COE CAT 4.2	COE42	235,485	197,942	0	0	18,174	179,768	0	1149
-- COE CAT 4.3	COE43	115,623	48,719	0	0	48,719	0	0	1149
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1149
- CABLE & WIRE FACILITIES	CWF	5,190,647	2,345,776	819,747	0	255,449	1,270,580	0	1149
-- C&WF CAT 1.1	CWF11	57,593	0	0	0	0	0	0	1149
-- C&WF CAT 1.2	CWF12	19,198	19,198	0	0	0	19,198	0	1149
-- C&WF CAT 1.3	CWF13	3,278,988	819,747	819,747	0	0	0	0	1149
-- C&WF CAT 2	CWF2	148,960	137,618	0	0	0	137,618	0	1149
-- C&WF CAT 3	CWF3	1,368,641	1,235,528	0	0	121,764	1,113,764	0	1149
-- C&WF CAT 4	CWF4	317,267	133,685	0	0	133,685	0	0	1149
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1149
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1149
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1149
ACCUM DEPRECIATION	ACCDEP	5,045,382	2,433,462	730,142	343,396	228,982	1,130,942	0	1149
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1149
NET DEFERRED FIT	NTDFIT	731,346	359,035	103,301	63,324	32,411	159,999	0	1149
NETWORK SUPPORT EXP	NETSPX	3,927	1,934	552	353	173	856	0	1149
GENERAL SUPPORT EXP	GSFX	132,081	65,047	18,578	11,865	5,828	28,775	0	1149
COE EXPENSE	COEX	203,811	120,663	23,835	52,337	7,675	36,815	0	1149
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1149
C&WF EXPENSE	CWFX	106,994	48,353	16,897	0	5,266	26,190	0	1149
OTHER PROP & PL EXP	OTHPXX	23	11	3	2	1	5	0	1149
NETWORK OPERATIONS EXP	NETOPX	32,000	15,759	4,501	2,875	1,412	6,972	0	1149
DEPREC & AMORT EXP	DEPAMX	525,148	271,895	68,427	75,989	21,521	105,958	0	1149
MARKETING EXPENSE	MRKTX	25,873	7,342	2,097	1,339	658	3,248	0	1149
SERVICES EXPENSE	SERVX	143,655	53,619	7,664	5,167	2,438	4,575	33,775	1149
- CABSX EXPENSE	CABSX	14,754	7,377	0	1,884	925	4,568	0	1149
EXEC & PLANNING EXP	EXEPLX	252,814	121,260	28,743	28,670	9,093	41,658	13,096	1149
GENERAL & ADMIN EXP	GENADX	389,600	214,070	50,742	50,613	16,053	73,542	23,120	1149
OTHER TAXES (EXCL FIT & ITC)	OTAXES	85,799	42,612	11,927	8,469	3,742	18,474	0	1149
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1149
NON-OPERATING INC & EXP	NONOPX	13,032	6,802	1,943	1,241	610	3,009	0	1149
INTEREST & RELATED ITEMS(IRI)	INTREL	167,335	84,343	22,809	19,048	7,158	35,327	0	1149

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	378,963	134,535	33,608	9,969	77,355	12,896	706	1150
RTB STOCK	RTBSTK	930	425	106	31	244	41	2	1150
- GENERAL SUPPORT FACILITIES	GSF	21,731,131	9,923,023	2,418,131	717,302	5,565,735	927,892	293,962	1150
- CENTRAL OFFICE EQUIPMENT	COE	37,551,399	23,584,637	499,546	3,432,294	17,580,841	2,071,956	0	1150
-- COE CAT 1	COE1	264,829	0	0	0	0	0	0	1150
-- COE CAT 2	COE2	9,055,387	6,447,671	0	0	6,447,671	0	0	1150
-- COE CAT 3	COE3	4,657,956	3,432,294	0	3,432,294	0	0	0	1150
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1150
-- COE CAT 4.12	COE412	309,747	0	0	0	0	0	0	1150
-- COE CAT 4.13	COE413	2,119,762	580,069	499,546	0	0	80,523	0	1150
-- COE CAT 4.2	COE42	8,774,036	4,988,061	0	0	2,996,629	1,991,433	0	1150
-- COE CAT 4.3	COE43	12,369,682	8,136,542	0	0	8,136,542	0	0	1150
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1150
- CABLE & WIRE FACILITIES	CWF	63,351,729	22,490,463	11,071,224	0	9,051,226	2,368,014	0	1150
-- C&WF CAT 1.1	CWF11	909,867	0	0	0	0	0	0	1150
-- C&WF CAT 1.2	CWF12	1,784,605	1,784,605	0	0	0	1,784,605	0	1150
-- C&WF CAT 1.3	CWF13	44,284,895	11,071,224	11,071,224	0	0	0	0	1150
-- C&WF CAT 2	CWF2	223,136	0	0	0	0	0	0	1150
-- C&WF CAT 3	CWF3	10,825,876	6,133,036	0	0	5,549,627	583,409	0	1150
-- C&WF CAT 4	CWF4	5,323,350	3,501,598	0	0	3,501,598	0	0	1150
- TANGIBLES	TANGIB	1,208,812	551,976	134,511	39,901	309,599	51,615	16,352	1150
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1150
TELCOM PLANT-OTHER	PLTOTH	3,789,435	1,720,863	432,158	128,193	994,684	165,829	0	1150
ACCUM DEPRECIATION	ACCDEP	94,146,022	39,965,834	12,673,446	1,361,276	21,638,102	4,062,247	230,763	1150
ACCUM AMORTIZATION	ACCAMO	940,475	416,724	104,651	31,043	240,873	40,157	0	1150
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1150
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1150
GENERAL SUPPORT EXP	GSFX	2,286,447	1,044,054	254,424	75,471	585,600	97,628	30,929	1150
COE EXPENSE	COEX	1,472,374	924,628	18,974	140,377	686,577	78,700	0	1150
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1150
C&WF EXPENSE	CWFX	1,207,403	428,639	211,003	0	172,505	45,131	0	1150
OTHER PROP & PL EXP	OTHPX	226,815	103,570	26,009	7,715	59,865	9,980	0	1150
NETWORK OPERATIONS EXP	NETOPX	1,866,450	852,272	214,030	63,489	492,625	82,128	0	1150
DEPREC & AMORT EXP	DEPAMX	6,593,295	3,629,624	330,469	424,706	2,554,993	299,925	19,531	1150
MARKETING EXPENSE	MRKTX	137,702	56,495	14,113	4,186	32,484	5,416	297	1150
SERVICES EXPENSE	SERVX	1,560,560	335,784	30,783	2,865	22,229	3,706	276,201	1150
- CABSX EXPENSE	CABSX	57,600	28,800	0	2,865	22,229	3,706	0	1150
EXEC & PLANNING EXP	EXEPLX	930,738	387,204	79,534	30,404	212,124	33,360	31,782	1150
GENERAL & ADMIN EXP	GENADX	3,490,569	1,452,139	298,278	114,026	795,533	125,109	119,192	1150
OTHER TAXES (EXCL FIT & ITC)	OTAXES	352,590	160,157	40,220	11,931	92,573	15,433	0	1150
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1150
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1150
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1150

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	253,421	68,372	27,855	24,052	4,723	11,689	53	1151
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1151
- GENERAL SUPPORT FACILITIES	GSF	5,506,022	2,292,525	930,781	803,713	157,813	390,597	9,621	1151
- CENTRAL OFFICE EQUIPMENT	COE	10,157,394	6,333,221	769,430	3,592,887	498,907	1,471,997	0	1151
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1151
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1151
-- COE CAT 3	COE3	4,226,926	3,592,887	0	3,592,887	0	0	0	1151
-- COE CAT 4.11	COE411	969,431	969,431	0	0	0	969,431	0	1151
-- COE CAT 4.12	COE412	5,032	0	0	0	0	0	0	1151
-- COE CAT 4.13	COE413	3,157,629	793,645	769,430	0	0	24,215	0	1151
-- COE CAT 4.2	COE42	1,346,189	805,765	0	0	327,414	478,351	0	1151
-- COE CAT 4.3	COE43	452,187	171,493	0	0	171,493	0	0	1151
- INFORMATION ORIG/TERM	IOT	12,730	3,182	3,086	0	0	97	0	1151
- CABLE & WIRE FACILITIES	CWF	14,340,489	3,869,003	3,388,413	0	206,573	274,017	0	1151
-- C&WF CAT 1.1	CWF11	239,935	0	0	0	0	0	0	1151
-- C&WF CAT 1.2	CWF12	106,638	106,638	0	0	0	106,638	0	1151
-- C&WF CAT 1.3	CWF13	13,553,651	3,388,413	3,388,413	0	0	0	0	1151
-- C&WF CAT 2	CWF2	192,060	166,000	0	0	0	166,000	0	1151
-- C&WF CAT 3	CWF3	220,080	197,286	0	0	195,906	1,380	0	1151
-- C&WF CAT 4	CWF4	28,125	10,666	0	0	10,666	0	0	1151
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1151
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1151
TELCOM PLANT-OTHER	PLTOTH	64,850	26,981	11,000	9,499	1,865	4,616	0	1151
ACCUM DEPRECIATION	ACCDEP	11,688,374	5,007,134	1,900,387	1,677,470	395,787	1,027,085	6,405	1151
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1151
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1151
NETWORK SUPPORT EXP	NETSPX	114,218	47,557	19,375	16,730	3,285	8,131	37	1151
GENERAL SUPPORT EXP	GSFX	262,128	109,141	44,312	38,263	7,513	18,595	458	1151
COE EXPENSE	COEX	1,326,206	826,901	170,306	220,353	110,428	325,813	0	1151
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1151
C&WF EXPENSE	CWFX	257,564	69,490	60,858	0	3,710	4,922	0	1151
OTHER PROP & PL EXP	OTHPX	3,743	1,558	635	549	108	267	0	1151
NETWORK OPERATIONS EXP	NETOPX	171,500	71,407	29,114	25,139	4,936	12,217	0	1151
DEPREC & AMORT EXP	DEPAMX	1,846,618	829,088	284,703	319,029	62,076	162,615	666	1151
MARKETING EXPENSE	MRKTX	73,437	21,824	8,891	7,677	1,508	3,731	17	1151
SERVICES EXPENSE	SERVX	422,690	95,868	36,947	16,899	3,318	7,750	30,954	1151
- CABSX EXPENSE	CABSX	50,024	25,012	0	14,867	2,919	7,225	0	1151
EXEC & PLANNING EXP	EXEPLX	264,192	127,696	41,894	31,991	13,245	37,475	3,091	1151
GENERAL & ADMIN EXP	GENADX	603,011	348,140	114,216	87,218	36,109	102,169	8,428	1151
OTHER TAXES (EXCL FIT & ITC)	OTAXES	218,645	90,966	37,089	32,025	6,288	15,564	0	1151
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1151
NON-OPERATING INC & EXP	NONOPX	10	6	2	2	0	1	0	1151
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1151

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	777,779	266,814	91,393	46,886	106,098	22,437	0	1152
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1152
- GENERAL SUPPORT FACILITIES	GSF	7,621,811	3,177,503	1,088,398	558,369	1,263,530	267,206	0	1152
- CENTRAL OFFICE EQUIPMENT	COE	21,387,432	12,498,313	1,284,010	5,120,183	4,844,661	1,249,459	0	1152
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1152
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1152
-- COE CAT 3	COE3	6,023,745	5,120,183	0	5,120,183	0	0	0	1152
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1152
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1152
-- COE CAT 4.13	COE413	5,329,627	1,380,059	1,284,010	0	0	96,049	0	1152
-- COE CAT 4.2	COE42	6,625,600	4,001,064	0	0	2,847,654	1,153,409	0	1152
-- COE CAT 4.3	COE43	3,408,460	1,997,006	0	0	1,997,006	0	0	1152
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1152
- CABLE & WIRE FACILITIES	CWF	48,503,692	16,639,018	8,696,472	0	6,741,761	1,200,785	0	1152
-- C&WF CAT 1.1	CWF11	660,619	0	0	0	0	0	0	1152
-- C&WF CAT 1.2	CWF12	650,533	650,533	0	0	0	650,533	0	1152
-- C&WF CAT 1.3	CWF13	34,785,886	8,696,472	8,696,472	0	0	0	0	1152
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1152
-- C&WF CAT 3	CWF3	7,184,237	4,232,215	0	0	3,681,963	550,251	0	1152
-- C&WF CAT 4	CWF4	5,222,416	3,059,798	0	0	3,059,798	0	0	1152
- TANGIBLES	TANGIB	22,658	9,446	3,236	1,660	3,756	794	0	1152
- INTANGIBLES	INTANG	9,012	3,757	1,287	660	1,494	316	0	1152
TELCOM PLANT-OTHER	PLTOTH	4,676,889	1,949,776	667,862	342,626	775,326	163,962	0	1152
ACCUM DEPRECIATION	ACCDEP	53,956,802	22,102,758	7,982,823	3,974,869	8,420,991	1,724,075	0	1152
ACCUM AMORTIZATION	ACCAMO	2,468,585	1,029,143	352,515	180,847	409,237	86,544	0	1152
NET DEFERRED FIT	NTDFIT	586,101	246,983	83,113	49,074	94,849	19,948	0	1152
NETWORK SUPPORT EXP	NETSPX	7,708	3,213	1,101	565	1,278	270	0	1152
GENERAL SUPPORT EXP	GSFX	284,498	118,606	40,626	20,842	47,164	9,974	0	1152
COE EXPENSE	COEX	525,819	307,276	32,474	120,675	122,527	31,600	0	1152
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1152
C&WF EXPENSE	CWFX	483,228	165,770	86,640	0	67,166	11,963	0	1152
OTHER PROP & PL EXP	OTHPX	87,997	36,686	12,566	6,447	14,588	3,085	0	1152
NETWORK OPERATIONS EXP	NETOPX	987,761	411,794	141,053	72,363	163,749	34,629	0	1152
DEPREC & AMORT EXP	DEPAMX	5,608,475	2,428,558	764,264	539,780	926,068	198,445	0	1152
MARKETING EXPENSE	MRKTX	1,215	425	146	75	169	36	0	1152
SERVICES EXPENSE	SERVX	530,033	148,877	26,439	20,958	29,804	5,391	66,284	1152
- CABSX EXPENSE	CABSX	83,823	41,912	0	11,202	25,349	5,361	0	1152
EXEC & PLANNING EXP	EXEPLX	1,495,262	615,192	194,902	119,397	220,334	47,847	32,713	1152
GENERAL & ADMIN EXP	GENADX	1,340,431	657,184	208,205	127,547	235,373	51,112	34,946	1152
OTHER TAXES (EXCL FIT & ITC)	OTAXES	249,284	103,926	35,598	18,262	41,326	8,739	0	1152
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1152
NON-OPERATING INC & EXP	NONOPX	39,970	18,453	6,321	3,243	7,338	1,552	0	1152
INTEREST & RELATED ITEMS(IRI)	INTREL	466,627	200,488	68,674	35,231	79,724	16,860	0	1152

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	361,059	120,446	53,925	26,395	15,073	25,053	0	1153
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1153
- GENERAL SUPPORT FACILITIES	GSF	10,654,261	4,189,731	1,875,792	918,153	524,313	871,473	0	1153
- CENTRAL OFFICE EQUIPMENT	COE	11,278,350	6,408,924	1,197,677	3,823,263	519,906	868,078	0	1153
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1153
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1153
-- COE CAT 3	COE3	4,497,956	3,823,263	0	3,823,263	0	0	0	1153
-- COE CAT 4.11	COE411	502,081	502,081	0	0	0	502,081	0	1153
-- COE CAT 4.12	COE412	23,344	0	0	0	0	0	0	1153
-- COE CAT 4.13	COE413	4,831,505	1,218,075	1,197,677	0	0	20,398	0	1153
-- COE CAT 4.2	COE42	734,934	544,351	0	0	198,751	345,600	0	1153
-- COE CAT 4.3	COE43	688,530	321,154	0	0	321,154	0	0	1153
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1153
- CABLE & WIRE FACILITIES	CWF	33,086,859	11,037,458	6,613,274	0	1,663,378	2,760,806	0	1153
-- C&WF CAT 1.1	CWF11	112,630	0	0	0	0	0	0	1153
-- C&WF CAT 1.2	CWF12	112,630	112,630	0	0	0	112,630	0	1153
-- C&WF CAT 1.3	CWF13	26,453,096	6,613,274	6,613,274	0	0	0	0	1153
-- C&WF CAT 2	CWF2	2,921,331	2,638,780	0	0	0	2,638,780	0	1153
-- C&WF CAT 3	CWF3	370,209	218,914	0	0	209,518	9,396	0	1153
-- C&WF CAT 4	CWF4	3,116,962	1,453,860	0	0	1,453,860	0	0	1153
- TANGIBLES	TANGIB	9,387	3,691	1,653	809	462	768	0	1153
- INTANGIBLES	INTANG	31,024	12,200	5,462	2,674	1,527	2,538	0	1153
TELCOM PLANT-OTHER	PLTOTH	792,597	311,685	139,545	68,304	39,005	64,831	0	1153
ACCUM DEPRECIATION	ACCDEP	25,694,960	10,724,687	4,280,835	3,186,551	1,223,359	2,033,942	0	1153
ACCUM AMORTIZATION	ACCAMO	13,857	5,449	2,440	1,194	682	1,133	0	1153
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1153
NETWORK SUPPORT EXP	NETSPX	14,274	5,613	2,513	1,230	702	1,168	0	1153
GENERAL SUPPORT EXP	GSFX	729,167	286,741	128,377	62,837	35,883	59,643	0	1153
COE EXPENSE	COEX	393,801	223,777	40,701	113,981	39,594	29,500	0	1153
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1153
C&WF EXPENSE	CWFX	646,703	215,734	129,261	0	32,512	53,962	0	1153
OTHER PROP & PL EXP	OTHPPX	205	81	36	18	10	17	0	1153
NETWORK OPERATIONS EXP	NETOPX	409,885	161,185	72,164	35,323	20,171	33,527	0	1153
DEPREC & AMORT EXP	DEPAMX	3,225,460	1,394,780	518,020	470,476	152,555	253,730	0	1153
MARKETING EXPENSE	MRKTX	217,216	65,974	29,538	14,458	8,256	13,723	0	1153
SERVICES EXPENSE	SERVX	373,265	132,393	11,077	37,205	21,245	32,279	30,586	1153
- CABSX EXPENSE	CABSX	170,652	85,326	0	33,857	19,334	32,135	0	1153
EXEC & PLANNING EXP	EXEPLX	457,005	178,932	71,274	42,097	25,154	35,548	4,858	1153
GENERAL & ADMIN EXP	GENADX	1,205,382	519,676	207,002	122,265	73,056	103,244	14,109	1153
OTHER TAXES (EXCL FIT & ITC)	OTAXES	213,756	84,058	37,634	18,421	10,519	17,484	0	1153
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1153
NON-OPERATING INC & EXP	NONOPX	19,319	8,119	3,635	1,779	1,016	1,689	0	1153
INTEREST & RELATED ITEMS(IRI)	INTREL	794,947	295,883	132,470	64,841	37,028	61,544	0	1153

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	310,548	90,977	35,462	23,620	20,133	11,762	0	1154
RTB STOCK	RTBSTK	-49,100	-18,159	-7,078	-4,714	-4,018	-2,348	0	1154
- GENERAL SUPPORT FACILITIES	GSF	4,844,025	1,788,248	697,046	464,272	395,731	231,199	0	1154
- CENTRAL OFFICE EQUIPMENT	COE	5,674,873	2,762,765	212,360	1,383,745	645,871	520,790	0	1154
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1154
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1154
-- COE CAT 3	COE3	2,998,753	1,383,745	0	1,383,745	0	0	0	1154
-- COE CAT 4.11	COE411	397,707	397,707	0	0	0	397,707	0	1154
-- COE CAT 4.12	COE412	49,001	0	0	0	0	0	0	1154
-- COE CAT 4.13	COE413	872,088	227,833	212,360	0	0	15,473	0	1154
-- COE CAT 4.2	COE42	781,043	446,179	0	0	338,569	107,610	0	1154
-- COE CAT 4.3	COE43	576,281	307,302	0	0	307,302	0	0	1154
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1154
- CABLE & WIRE FACILITIES	CWF	8,762,545	2,567,035	1,865,158	0	533,589	168,288	0	1154
-- C&WF CAT 1.1	CWF11	63,025	0	0	0	0	0	0	1154
-- C&WF CAT 1.2	CWF12	135,899	135,899	0	0	0	135,899	0	1154
-- C&WF CAT 1.3	CWF13	7,460,633	1,865,158	1,865,158	0	0	0	0	1154
-- C&WF CAT 2	CWF2	55,707	4,078	0	0	0	4,078	0	1154
-- C&WF CAT 3	CWF3	512,632	276,799	0	0	248,487	28,311	0	1154
-- C&WF CAT 4	CWF4	534,649	285,102	0	0	285,102	0	0	1154
- TANGIBLES	TANGIB	109,333	53,191	20,733	13,810	11,771	6,877	0	1154
- INTANGIBLES	INTANG	40,373	14,931	5,820	3,876	3,304	1,930	0	1154
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1154
ACCUM DEPRECIATION	ACCDEP	9,682,932	3,690,240	1,334,825	883,038	904,167	568,209	0	1154
ACCUM AMORTIZATION	ACCAMO	20,245	7,484	2,917	1,943	1,656	968	0	1154
NET DEFERRED FIT	NTDFIT	1,106,765	409,312	159,547	106,267	90,579	52,919	0	1154
NETWORK SUPPORT EXP	NETSPX	39,439	14,560	5,675	3,780	3,222	1,882	0	1154
GENERAL SUPPORT EXP	GSFX	205,770	75,963	29,610	19,722	16,810	9,821	0	1154
COE EXPENSE	COEX	463,249	225,529	15,549	124,559	47,290	38,131	0	1154
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1154
C&WF EXPENSE	CWFX	450,332	131,927	95,856	0	27,423	8,649	0	1154
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1154
NETWORK OPERATIONS EXP	NETOPX	118,454	43,729	17,045	11,353	9,677	5,654	0	1154
DEPREC & AMORT EXP	DEPAMX	1,262,075	491,867	161,848	138,297	116,736	74,987	0	1154
MARKETING EXPENSE	MRKTX	21,953	8,249	3,215	2,142	1,825	1,066	0	1154
SERVICES EXPENSE	SERVX	148,318	31,391	11,806	8,850	7,054	1,513	2,169	1154
- CABSX EXPENSE	CABSX	14,104	7,052	0	3,000	2,557	1,494	0	1154
EXEC & PLANNING EXP	EXEPLX	523,615	193,591	65,128	62,086	41,280	24,307	790	1154
GENERAL & ADMIN EXP	GENADX	805,062	320,704	107,892	102,851	68,384	40,268	1,309	1154
OTHER TAXES (EXCL FIT & ITC)	OTAXES	154,840	58,694	23,857	15,947	12,162	6,728	0	1154
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1154
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1154
INTEREST & RELATED ITEMS(IRI)	INTREL	307,478	109,714	42,766	28,484	24,279	14,185	0	1154

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	106,356	29,424	13,642	5,810	2,333	7,630	10	1155
RTB STOCK	RTBSTK	65,627	23,463	10,878	4,632	1,860	6,084	8	1155
- GENERAL SUPPORT FACILITIES	GSF	8,669,837	3,099,605	1,434,137	610,745	245,215	802,159	7,348	1155
- CENTRAL OFFICE EQUIPMENT	COE	25,159,960	11,040,327	2,523,066	3,562,711	1,197,944	3,756,605	0	1155
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1155
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1155
-- COE CAT 3	COE3	8,176,945	3,562,711	0	3,562,711	0	0	0	1155
-- COE CAT 4.11	COE411	1,619,046	1,603,845	0	0	0	1,603,845	0	1155
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1155
-- COE CAT 4.13	COE413	10,337,019	2,620,265	2,523,066	0	0	97,199	0	1155
-- COE CAT 4.2	COE42	4,537,353	3,141,966	0	0	1,086,404	2,055,562	0	1155
-- COE CAT 4.3	COE43	489,597	111,540	0	0	111,540	0	0	1155
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1155
- CABLE & WIRE FACILITIES	CWF	25,294,667	6,998,005	5,842,812	0	232,492	922,701	0	1155
-- C&WF CAT 1.1	CWF11	341,959	0	0	0	0	0	0	1155
-- C&WF CAT 1.2	CWF12	225,259	225,259	0	0	0	225,259	0	1155
-- C&WF CAT 1.3	CWF13	23,371,249	5,842,812	5,842,812	0	0	0	0	1155
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1155
-- C&WF CAT 3	CWF3	1,147,437	887,270	0	0	189,827	697,442	0	1155
-- C&WF CAT 4	CWF4	208,764	42,665	0	0	42,665	0	0	1155
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1155
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1155
TELCOM PLANT-OTHER	PLTOTH	33,094	11,828	5,485	2,336	938	3,068	0	1155
ACCUM DEPRECIATION	ACCDEP	39,944,966	14,675,444	6,439,941	2,769,848	1,287,922	4,173,591	4,143	1155
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1155
NET DEFERRED FIT	NTDFIT	227,766	88,132	16,303	68,336	715	2,778	0	1155
NETWORK SUPPORT EXP	NETSPX	32,108	11,479	5,322	2,266	910	2,977	4	1155
GENERAL SUPPORT EXP	GSFX	421,338	150,635	69,696	29,681	11,917	38,983	357	1155
COE EXPENSE	COEX	1,388,670	609,356	30,681	518,428	14,567	45,681	0	1155
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1155
C&WF EXPENSE	CWFX	2,300,223	636,378	531,328	0	21,142	83,908	0	1155
OTHER PROP & PL EXP	OTHPX	39,743	14,209	6,590	2,806	1,127	3,686	0	1155
NETWORK OPERATIONS EXP	NETOPX	342,726	122,530	56,827	24,201	9,717	31,785	0	1155
DEPREC & AMORT EXP	DEPAMX	4,309,330	1,657,715	590,680	491,056	136,517	439,066	396	1155
MARKETING EXPENSE	MRKTX	285,513	113,697	52,713	22,448	9,013	29,484	40	1155
SERVICES EXPENSE	SERVX	1,039,351	244,285	77,227	66,864	20,991	37,231	41,972	1155
- CABSX EXPENSE	CABSX	152,959	76,480	0	28,170	11,310	36,999	0	1155
EXEC & PLANNING EXP	EXEPLX	262,323	85,225	40,248	27,967	3,750	11,483	1,777	1155
GENERAL & ADMIN EXP	GENADX	1,543,544	501,473	236,824	164,562	22,063	67,566	10,459	1155
OTHER TAXES (EXCL FIT & ITC)	OTAXES	407,242	147,664	69,943	29,452	11,264	36,995	10	1155
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1155
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1155
INTEREST & RELATED ITEMS(IRI)	INTREL	702,203	236,210	109,512	46,637	18,725	61,254	82	1155

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	0	0	0	0	0	0	0	1156
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1156
- GENERAL SUPPORT FACILITIES	GSF	448,342	193,815	61,457	70,289	48,672	13,313	85	1156
- CENTRAL OFFICE EQUIPMENT	COE	2,374,595	1,358,388	131,332	662,159	458,511	106,386	0	1156
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1156
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1156
-- COE CAT 3	COE3	938,727	662,159	0	662,159	0	0	0	1156
-- COE CAT 4.11	COE411	53,228	53,228	0	0	0	53,228	0	1156
-- COE CAT 4.12	COE412	88,040	0	0	0	0	0	0	1156
-- COE CAT 4.13	COE413	533,391	136,914	131,332	0	0	5,582	0	1156
-- COE CAT 4.2	COE42	761,209	506,087	0	0	458,511	47,576	0	1156
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1156
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1156
- CABLE & WIRE FACILITIES	CWF	1,847,160	466,645	447,620	0	0	19,025	0	1156
-- C&WF CAT 1.1	CWF11	8,456	0	0	0	0	0	0	1156
-- C&WF CAT 1.2	CWF12	19,025	19,025	0	0	0	19,025	0	1156
-- C&WF CAT 1.3	CWF13	1,790,480	447,620	447,620	0	0	0	0	1156
-- C&WF CAT 2	CWF2	29,199	0	0	0	0	0	0	1156
-- C&WF CAT 3	CWF3	0	0	0	0	0	0	0	1156
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1156
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1156
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1156
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1156
ACCUM DEPRECIATION	ACCDEP	3,014,362	1,291,960	412,375	360,822	410,865	107,856	43	1156
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1156
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1156
NETWORK SUPPORT EXP	NETSPX	968	418	133	152	105	29	0	1156
GENERAL SUPPORT EXP	GSFX	25,689	11,105	3,521	4,027	2,789	763	5	1156
COE EXPENSE	COEX	172,805	98,853	5,509	69,651	19,232	4,462	0	1156
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1156
C&WF EXPENSE	CWFX	129,359	32,680	31,347	0	0	1,332	0	1156
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1156
NETWORK OPERATIONS EXP	NETOPX	18,006	7,784	2,469	2,824	1,956	535	0	1156
DEPREC & AMORT EXP	DEPAMX	235,954	105,488	30,270	39,444	28,268	7,501	4	1156
MARKETING EXPENSE	MRKTX	2,088	716	227	260	180	49	0	1156
SERVICES EXPENSE	SERVX	52,865	15,284	3,953	4,602	3,182	339	3,208	1156
- CABSX EXPENSE	CABSX	6,695	3,348	0	1,779	1,232	337	0	1156
EXEC & PLANNING EXP	EXEPLX	125,019	51,860	14,659	25,338	8,530	2,334	999	1156
GENERAL & ADMIN EXP	GENADX	170,285	80,068	22,632	39,120	13,170	3,604	1,542	1156
OTHER TAXES (EXCL FIT & ITC)	OTAXES	33,842	15,515	4,884	7,242	2,608	781	1	1156
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1156
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1156
INTEREST & RELATED ITEMS(IRI)	INTREL	50,214	22,045	6,993	7,998	5,538	1,515	1	1156

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	974,800	320,129	133,398	57,900	81,742	47,089	0	1157
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1157
- GENERAL SUPPORT FACILITIES	GSF	8,756,595	3,376,953	1,407,180	610,766	862,273	496,733	0	1157
- CENTRAL OFFICE EQUIPMENT	COE	31,240,168	16,139,109	2,526,606	7,164,415	4,201,467	2,246,620	0	1157
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1157
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1157
-- COE CAT 3	COE3	10,048,831	7,164,415	0	7,164,415	0	0	0	1157
-- COE CAT 4.11	COE411	501,433	467,527	0	0	0	467,527	0	1157
-- COE CAT 4.12	COE412	116,070	0	0	0	0	0	0	1157
-- COE CAT 4.13	COE413	10,678,645	2,760,934	2,526,606	0	0	234,328	0	1157
-- COE CAT 4.2	COE42	6,940,636	4,788,485	0	0	3,243,719	1,544,766	0	1157
-- COE CAT 4.3	COE43	2,954,553	957,748	0	0	957,748	0	0	1157
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1157
- CABLE & WIRE FACILITIES	CWF	71,476,481	23,473,240	13,979,908	0	5,913,168	3,580,164	0	1157
-- C&WF CAT 1.1	CWF11	1,869,583	0	0	0	0	0	0	1157
-- C&WF CAT 1.2	CWF12	1,296,553	1,296,553	0	0	0	1,296,553	0	1157
-- C&WF CAT 1.3	CWF13	55,919,630	13,979,908	13,979,908	0	0	0	0	1157
-- C&WF CAT 2	CWF2	649,071	353,675	0	0	0	353,675	0	1157
-- C&WF CAT 3	CWF3	9,766,754	7,202,924	0	0	5,272,988	1,929,936	0	1157
-- C&WF CAT 4	CWF4	1,974,890	640,180	0	0	640,180	0	0	1157
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1157
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1157
TELCOM PLANT-OTHER	PLTOTH	911,664	351,580	146,504	63,588	89,773	51,716	0	1157
ACCUM DEPRECIATION	ACCDEP	72,885,331	28,636,720	11,331,082	5,354,365	7,610,663	4,340,610	0	1157
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1157
NET DEFERRED FIT	NTDFIT	859,700	612,932	0	612,932	0	0	0	1157
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1157
GENERAL SUPPORT EXP	GSFX	311,609	120,171	50,075	21,735	30,685	17,677	0	1157
COE EXPENSE	COEX	1,497,869	773,820	70,263	524,239	116,840	62,477	0	1157
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1157
C&WF EXPENSE	CWFX	2,067,095	678,845	404,298	0	171,008	103,538	0	1157
OTHER PROP & PL EXP	OTHPXX	0	0	0	0	0	0	0	1157
NETWORK OPERATIONS EXP	NETOPX	274,949	106,033	44,184	19,178	27,075	15,597	0	1157
DEPREC & AMORT EXP	DEPAMX	7,282,039	3,036,145	1,058,077	953,927	649,867	374,273	0	1157
MARKETING EXPENSE	MRKTX	160,297	57,827	24,097	10,459	14,766	8,506	0	1157
SERVICES EXPENSE	SERVX	1,349,987	424,747	154,404	73,830	81,603	7,861	107,049	1157
- CABSX EXPENSE	CABSX	62,001	31,001	0	9,612	13,571	7,818	0	1157
EXEC & PLANNING EXP	EXEPLX	650,026	249,433	97,192	69,917	47,582	23,217	11,525	1157
GENERAL & ADMIN EXP	GENADX	1,519,549	629,449	245,265	176,438	120,075	58,589	29,083	1157
OTHER TAXES (EXCL FIT & ITC)	OTAXES	491,785	189,655	79,030	34,302	48,427	27,897	0	1157
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1157
NON-OPERATING INC & EXP	NONOPX	6,459	2,733	1,139	494	698	402	0	1157
INTEREST & RELATED ITEMS(IRI)	INTREL	2,538,339	925,684	439,278	125,131	227,493	133,782	0	1157

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	12,980	6,105	736	2,570	2,152	646	0	1158
RTB STOCK	RTBSTK	19,200	10,311	1,243	4,341	3,635	1,092	0	1158
- GENERAL SUPPORT FACILITIES	GSF	450,483	241,930	29,175	101,845	85,293	25,618	0	1158
- CENTRAL OFFICE EQUIPMENT	COE	1,758,547	989,868	72,802	585,755	220,001	111,311	0	1158
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1158
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1158
-- COE CAT 3	COE3	689,123	571,424	0	571,424	0	0	0	1158
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1158
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1158
-- COE CAT 4.13	COE413	300,440	75,320	72,802	0	0	2,518	0	1158
-- COE CAT 4.2	COE42	489,568	108,793	0	0	0	108,793	0	1158
-- COE CAT 4.3	COE43	264,978	220,001	0	0	220,001	0	0	1158
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1158
- CABLE & WIRE FACILITIES	CWF	895,764	421,290	99,100	0	282,558	39,632	0	1158
-- C&WF CAT 1.1	CWF11	9,139	0	0	0	0	0	0	1158
-- C&WF CAT 1.2	CWF12	3,427	3,427	0	0	0	3,427	0	1158
-- C&WF CAT 1.3	CWF13	396,399	99,100	99,100	0	0	0	0	1158
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1158
-- C&WF CAT 3	CWF3	147,030	36,666	0	0	462	36,205	0	1158
-- C&WF CAT 4	CWF4	339,769	282,097	0	0	282,097	0	0	1158
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1158
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1158
TELCOM PLANT-OTHER	PLTOTH	57,361	30,806	3,715	12,968	10,861	3,262	0	1158
ACCUM DEPRECIATION	ACCDEP	1,880,155	1,095,508	103,036	598,610	301,512	92,351	0	1158
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1158
NET DEFERRED FIT	NTDFIT	82,613	44,367	5,350	18,677	15,642	4,698	0	1158
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1158
GENERAL SUPPORT EXP	GSFX	17,184	9,229	1,113	3,885	3,254	977	0	1158
COE EXPENSE	COEX	67,623	38,615	2,314	25,773	6,992	3,537	0	1158
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1158
C&WF EXPENSE	CWFX	35,779	16,827	3,958	0	11,286	1,583	0	1158
OTHER PROP & PL EXP	OTHPPX	0	0	0	0	0	0	0	1158
NETWORK OPERATIONS EXP	NETOPX	62	33	4	14	12	4	0	1158
DEPREC & AMORT EXP	DEPAMX	209,073	119,790	11,254	64,340	33,087	11,109	0	1158
MARKETING EXPENSE	MRKTX	1,577	677	82	285	239	72	0	1158
SERVICES EXPENSE	SERVX	11,363	5,426	323	1,223	993	220	2,667	1158
- CABSX EXPENSE	CABSX	3,108	1,554	0	744	623	187	0	1158
EXEC & PLANNING EXP	EXEPLX	73,414	38,837	5,250	16,619	12,139	3,407	1,422	1158
GENERAL & ADMIN EXP	GENADX	153,883	99,821	13,495	42,715	31,200	8,757	3,654	1158
OTHER TAXES (EXCL FIT & ITC)	OTAXES	10,119	5,122	618	2,156	1,806	542	0	1158
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1158
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1158
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1158

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	100,210	34,107	13,417	11,419	5,639	3,633	0	1159
RTB STOCK	RTBSTK	87,200	37,442	14,729	12,535	6,190	3,988	0	1159
- GENERAL SUPPORT FACILITIES	GSF	2,161,269	928,016	365,052	310,683	153,427	98,855	0	1159
- CENTRAL OFFICE EQUIPMENT	COE	5,043,329	2,833,895	575,836	1,804,204	263,638	190,217	0	1159
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1159
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1159
-- COE CAT 3	COE3	2,122,593	1,804,204	0	1,804,204	0	0	0	1159
-- COE CAT 4.11	COE411	118,979	118,979	0	0	0	118,979	0	1159
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1159
-- COE CAT 4.13	COE413	2,349,120	604,080	575,836	0	0	28,244	0	1159
-- COE CAT 4.2	COE42	334,405	252,321	0	0	209,327	42,994	0	1159
-- COE CAT 4.3	COE43	118,232	54,311	0	0	54,311	0	0	1159
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1159
- CABLE & WIRE FACILITIES	CWF	7,507,645	2,555,301	1,544,100	0	627,345	383,856	0	1159
-- C&WF CAT 1.1	CWF11	47,009	0	0	0	0	0	0	1159
-- C&WF CAT 1.2	CWF12	75,736	75,736	0	0	0	75,736	0	1159
-- C&WF CAT 1.3	CWF13	6,176,399	1,544,100	1,544,100	0	0	0	0	1159
-- C&WF CAT 2	CWF2	30,258	30,258	0	0	0	30,258	0	1159
-- C&WF CAT 3	CWF3	1,095,924	867,393	0	0	589,531	277,862	0	1159
-- C&WF CAT 4	CWF4	82,319	37,814	0	0	37,814	0	0	1159
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1159
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1159
TELCOM PLANT-OTHER	PLTOTH	1,534,485	658,884	259,184	220,582	108,932	70,186	0	1159
ACCUM DEPRECIATION	ACCDEP	9,203,586	4,367,939	1,385,231	2,009,002	588,536	385,170	0	1159
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1159
NET DEFERRED FIT	NTDFIT	107,085	46,378	17,930	16,073	7,530	4,846	0	1159
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1159
GENERAL SUPPORT EXP	GSFX	73,319	31,482	12,384	10,540	5,205	3,354	0	1159
COE EXPENSE	COEX	477,067	268,069	34,894	205,672	15,976	11,527	0	1159
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1159
C&WF EXPENSE	CWFX	305,946	104,132	62,924	0	25,565	15,643	0	1159
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1159
NETWORK OPERATIONS EXP	NETOPX	63,778	27,385	10,772	9,168	4,528	2,917	0	1159
DEPREC & AMORT EXP	DEPAMX	967,195	465,721	142,885	222,386	60,712	39,738	0	1159
MARKETING EXPENSE	MRKTX	10,024	3,938	1,549	1,318	651	419	0	1159
SERVICES EXPENSE	SERVX	154,734	53,383	14,521	9,334	4,377	391	24,760	1159
- CABSX EXPENSE	CABSX	4,364	2,182	0	1,204	595	383	0	1159
EXEC & PLANNING EXP	EXEPLX	263,793	119,153	37,350	54,955	13,109	7,974	5,765	1159
GENERAL & ADMIN EXP	GENADX	504,280	241,650	75,749	111,452	26,585	16,173	11,692	1159
OTHER TAXES (EXCL FIT & ITC)	OTAXES	85,632	36,769	14,464	12,310	6,079	3,917	0	1159
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1159
NON-OPERATING INC & EXP	NONOPX	17,062	8,015	3,153	2,683	1,325	854	0	1159
INTEREST & RELATED ITEMS(IRI)	INTREL	128,812	47,523	24,738	5,985	10,282	6,517	0	1159

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	140,576	51,338	20,628	14,706	12,634	3,224	146	1160
RTB STOCK	RTBSTK	39,050	16,772	6,739	4,804	4,127	1,053	48	1160
- GENERAL SUPPORT FACILITIES	GSF	1,958,611	841,223	332,604	237,113	203,709	51,986	15,811	1160
- CENTRAL OFFICE EQUIPMENT	COE	5,326,250	2,649,693	788,056	1,351,899	280,697	229,041	0	1160
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1160
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1160
-- COE CAT 3	COE3	1,590,469	1,351,899	0	1,351,899	0	0	0	1160
-- COE CAT 4.11	COE411	195,351	195,351	0	0	0	195,351	0	1160
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1160
-- COE CAT 4.13	COE413	3,189,690	813,033	788,056	0	0	24,976	0	1160
-- COE CAT 4.2	COE42	350,740	289,411	0	0	280,697	8,714	0	1160
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1160
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1160
- CABLE & WIRE FACILITIES	CWF	5,630,874	2,056,391	1,108,284	0	880,751	67,357	0	1160
-- C&WF CAT 1.1	CWF11	17,563	0	0	0	0	0	0	1160
-- C&WF CAT 1.2	CWF12	35,126	35,126	0	0	0	35,126	0	1160
-- C&WF CAT 1.3	CWF13	4,433,135	1,108,284	1,108,284	0	0	0	0	1160
-- C&WF CAT 2	CWF2	39,014	0	0	0	0	0	0	1160
-- C&WF CAT 3	CWF3	1,106,037	912,982	0	0	880,751	32,231	0	1160
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1160
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1160
- INTANGIBLES	INTANG	958	411	165	118	101	26	1	1160
TELCOM PLANT-OTHER	PLTOTH	677,578	290,190	116,934	83,362	71,618	18,277	0	1160
ACCUM DEPRECIATION	ACCDEP	8,053,421	3,413,061	1,407,828	909,331	867,659	217,209	11,034	1160
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1160
NET DEFERRED FIT	NTDFIT	203,691	87,236	35,152	25,060	21,530	5,494	0	1160
NETWORK SUPPORT EXP	NETSPX	344	148	59	42	36	9	0	1160
GENERAL SUPPORT EXP	GSFX	181,637	78,013	30,845	21,989	18,892	4,821	1,466	1160
COE EXPENSE	COEX	339,092	168,691	23,164	130,544	8,251	6,732	0	1160
IOT EXPENSE	IOTX	6,482	1,621	1,621	0	0	0	0	1160
C&WF EXPENSE	CWFX	569,586	208,012	112,107	0	89,092	6,813	0	1160
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1160
NETWORK OPERATIONS EXP	NETOPX	164,356	70,591	28,445	20,278	17,422	4,446	0	1160
DEPREC & AMORT EXP	DEPAMX	1,106,566	486,713	186,368	156,603	112,027	30,239	1,475	1160
MARKETING EXPENSE	MRKTX	43,323	16,691	6,707	4,781	4,108	1,048	48	1160
SERVICES EXPENSE	SERVX	257,797	139,833	40,933	40,820	19,601	4,046	34,433	1160
- CABSX EXPENSE	CABSX	2,608	1,304	0	627	539	138	0	1160
EXEC & PLANNING EXP	EXEPLX	188,325	82,585	31,918	25,171	18,136	3,217	4,142	1160
GENERAL & ADMIN EXP	GENADX	473,445	229,796	88,814	70,040	50,465	8,951	11,525	1160
OTHER TAXES (EXCL FIT & ITC)	OTAXES	50,573	21,984	8,861	6,310	5,428	1,385	0	1160
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1160
NON-OPERATING INC & EXP	NONOPX	1,154	545	219	156	134	34	2	1160
INTEREST & RELATED ITEMS(IRI)	INTREL	148,185	64,635	25,013	20,311	15,177	3,984	150	1160

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	116,782	31,310	17,232	9,541	3,403	1,107	27	1161
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1161
- GENERAL SUPPORT FACILITIES	GSF	5,746,364	1,710,233	931,830	515,949	184,050	59,878	18,526	1161
- CENTRAL OFFICE EQUIPMENT	COE	35,851,466	11,581,711	3,752,638	6,058,126	1,461,929	309,018	0	1161
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1161
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1161
-- COE CAT 3	COE3	16,413,859	6,058,126	0	6,058,126	0	0	0	1161
-- COE CAT 4.11	COE411	1,072,890	0	0	0	0	0	0	1161
-- COE CAT 4.12	COE412	72,551	0	0	0	0	0	0	1161
-- COE CAT 4.13	COE413	15,204,700	3,816,177	3,752,638	0	0	63,539	0	1161
-- COE CAT 4.2	COE42	3,087,466	1,707,408	0	0	1,461,929	245,479	0	1161
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1161
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1161
- CABLE & WIRE FACILITIES	CWF	30,889,804	8,281,831	7,188,644	0	699,134	394,053	0	1161
-- C&WF CAT 1.1	CWF11	250,197	0	0	0	0	0	0	1161
-- C&WF CAT 1.2	CWF12	121,717	121,717	0	0	0	121,717	0	1161
-- C&WF CAT 1.3	CWF13	28,754,577	7,188,644	7,188,644	0	0	0	0	1161
-- C&WF CAT 2	CWF2	9,354	0	0	0	0	0	0	1161
-- C&WF CAT 3	CWF3	1,753,959	971,470	0	0	699,134	272,336	0	1161
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1161
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1161
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1161
TELCOM PLANT-OTHER	PLTOTH	341,220	101,467	55,890	30,946	11,039	3,591	0	1161
ACCUM DEPRECIATION	ACCDEP	50,920,343	15,479,456	7,588,748	5,729,804	1,645,613	501,461	13,830	1161
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1161
NET DEFERRED FIT	NTDFIT	2,373,422	705,771	388,755	215,251	76,785	24,981	0	1161
NETWORK SUPPORT EXP	NETSPX	6,575	1,957	1,077	596	213	69	2	1161
GENERAL SUPPORT EXP	GSFX	780,944	232,425	126,638	70,119	25,013	8,138	2,518	1161
COE EXPENSE	COEX	1,456,632	470,561	155,334	241,921	60,514	12,791	0	1161
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1161
C&WF EXPENSE	CWFX	727,207	194,971	169,235	0	16,459	9,277	0	1161
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1161
NETWORK OPERATIONS EXP	NETOPX	581,132	172,957	95,268	52,750	18,817	6,122	0	1161
DEPREC & AMORT EXP	DEPAMX	5,100,067	1,535,923	792,907	501,763	186,757	53,790	705	1161
MARKETING EXPENSE	MRKTX	461,164	133,477	73,459	40,674	14,509	4,720	115	1161
SERVICES EXPENSE	SERVX	551,841	213,939	78,608	53,284	17,762	5,099	59,186	1161
- CABSX EXPENSE	CABSX	40,646	20,323	0	13,799	4,922	1,601	0	1161
EXEC & PLANNING EXP	EXEPLX	842,144	264,348	145,882	75,509	25,198	7,597	10,162	1161
GENERAL & ADMIN EXP	GENADX	1,623,255	599,119	330,627	171,134	57,109	17,218	23,032	1161
OTHER TAXES (EXCL FIT & ITC)	OTAXES	474,625	144,351	79,512	44,025	15,705	5,109	0	1161
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1161
NON-OPERATING INC & EXP	NONOPX	7,829	2,742	1,509	836	298	97	2	1161
INTEREST & RELATED ITEMS(IRI)	INTREL	28	8	4	2	1	0	0	1161

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	214,794	59,484	24,717	19,673	2,161	12,845	88	1162
RTB STOCK	RTBSTK	48,708	19,975	8,300	6,606	726	4,314	30	1162
- GENERAL SUPPORT FACILITIES	GSF	2,945,424	1,207,922	499,768	397,791	43,694	259,727	6,942	1162
- CENTRAL OFFICE EQUIPMENT	COE	3,112,229	1,984,905	187,044	1,145,727	94,812	557,322	0	1162
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1162
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1162
-- COE CAT 3	COE3	1,450,609	1,135,113	0	1,135,113	0	0	0	1162
-- COE CAT 4.11	COE411	212,266	209,737	0	0	0	209,737	0	1162
-- COE CAT 4.12	COE412	92,359	0	0	0	0	0	0	1162
-- COE CAT 4.13	COE413	761,243	195,310	187,044	0	0	8,266	0	1162
-- COE CAT 4.2	COE42	574,441	434,131	0	0	94,812	339,320	0	1162
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1162
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1162
- CABLE & WIRE FACILITIES	CWF	5,400,641	1,495,619	1,265,735	0	32,203	197,681	0	1162
-- C&WF CAT 1.1	CWF11	32,478	0	0	0	0	0	0	1162
-- C&WF CAT 1.2	CWF12	55,934	55,934	0	0	0	55,934	0	1162
-- C&WF CAT 1.3	CWF13	5,062,940	1,265,735	1,265,735	0	0	0	0	1162
-- C&WF CAT 2	CWF2	177,257	134,969	0	0	0	134,969	0	1162
-- C&WF CAT 3	CWF3	72,032	38,981	0	0	32,203	6,778	0	1162
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1162
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1162
- INTANGIBLES	INTANG	3,503	1,437	597	475	52	310	2	1162
TELCOM PLANT-OTHER	PLTOTH	159,173	65,181	27,124	21,589	2,371	14,096	0	1162
ACCUM DEPRECIATION	ACCDEP	6,375,030	2,497,580	1,141,513	733,568	88,849	529,014	4,635	1162
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1162
NET DEFERRED FIT	NTDFIT	442,959	181,274	75,561	60,623	6,492	38,597	0	1162
NETWORK SUPPORT EXP	NETSPX	77,996	31,986	13,291	10,579	1,162	6,907	47	1162
GENERAL SUPPORT EXP	GSFX	208,737	85,603	35,418	28,191	3,097	18,406	492	1162
COE EXPENSE	COEX	272,422	174,673	9,200	133,398	4,663	27,412	0	1162
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1162
C&WF EXPENSE	CWFX	204,389	56,602	47,902	0	1,219	7,481	0	1162
OTHER PROP & PL EXP	OTHPPX	1,009	414	172	137	15	89	0	1162
NETWORK OPERATIONS EXP	NETOPX	145,413	59,634	24,816	19,752	2,170	12,897	0	1162
DEPREC & AMORT EXP	DEPAMX	1,319,657	692,456	153,811	370,338	24,265	143,375	667	1162
MARKETING EXPENSE	MRKTX	48	13	6	4	0	3	0	1162
SERVICES EXPENSE	SERVX	325,750	120,360	11,025	30,685	2,891	17,183	58,576	1162
- CABSX EXPENSE	CABSX	71,535	35,768	0	20,291	2,229	13,248	0	1162
EXEC & PLANNING EXP	EXEPLX	171,040	74,203	21,351	30,384	2,076	12,328	8,064	1162
GENERAL & ADMIN EXP	GENADX	703,224	321,952	92,639	131,830	9,006	53,490	34,987	1162
OTHER TAXES (EXCL FIT & ITC)	OTAXES	84,389	33,053	13,754	10,948	1,203	7,148	0	1162
INVESTMENT TAX CREDITS (ITC)	ITC	4,332	1,774	738	588	65	384	0	1162
NON-OPERATING INC & EXP	NONOPX	59,133	26,795	11,134	8,862	973	5,786	40	1162
INTEREST & RELATED ITEMS(IRI)	INTREL	105,171	45,692	18,986	15,112	1,660	9,867	68	1162

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	0	0	0	0	0	0	0	1163
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1163
- GENERAL SUPPORT FACILITIES	GSF	2,083,906	547,332	460,000	1	30,312	57,020	0	1163
- CENTRAL OFFICE EQUIPMENT	COE	2,662,862	713,227	564,819	4	49,902	98,502	0	1163
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1163
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1163
-- COE CAT 3	COE3	10	4	0	4	0	0	0	1163
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1163
-- COE CAT 4.12	COE412	137,474	0	0	0	0	0	0	1163
-- COE CAT 4.13	COE413	2,278,747	572,489	564,819	0	0	7,671	0	1163
-- COE CAT 4.2	COE42	246,631	140,734	0	0	49,902	90,832	0	1163
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1163
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1163
- CABLE & WIRE FACILITIES	CWF	7,339,171	1,913,779	1,643,021	0	95,583	175,175	0	1163
-- C&WF CAT 1.1	CWF11	34,328	0	0	0	0	0	0	1163
-- C&WF CAT 1.2	CWF12	22,313	22,313	0	0	0	22,313	0	1163
-- C&WF CAT 1.3	CWF13	6,572,084	1,643,021	1,643,021	0	0	0	0	1163
-- C&WF CAT 2	CWF2	441,181	142,267	0	0	0	142,267	0	1163
-- C&WF CAT 3	CWF3	269,265	106,178	0	0	95,583	10,595	0	1163
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1163
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1163
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1163
TELCOM PLANT-OTHER	PLTOTH	348,563	91,549	76,941	0	5,070	9,537	0	1163
ACCUM DEPRECIATION	ACCDEP	8,045,069	2,112,998	1,775,890	1	117,007	220,101	0	1163
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1163
NET DEFERRED FIT	NTDFIT	334,820	88,713	72,623	0	5,495	10,595	0	1163
NETWORK SUPPORT EXP	NETSPX	-104	-27	-23	0	-2	-3	0	1163
GENERAL SUPPORT EXP	GSFX	221,588	58,199	48,913	0	3,223	6,063	0	1163
COE EXPENSE	COEX	446,706	119,647	12,025	104,462	1,062	2,097	0	1163
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1163
C&WF EXPENSE	CWFX	340,567	88,807	76,243	0	4,435	8,129	0	1163
OTHER PROP & PL EXP	OTHPX	123	32	27	0	2	3	0	1163
NETWORK OPERATIONS EXP	NETOPX	190,838	50,123	42,125	0	2,776	5,222	0	1163
DEPREC & AMORT EXP	DEPAMX	915,787	241,289	200,887	0	13,935	26,468	0	1163
MARKETING EXPENSE	MRKTX	179,479	46,809	39,340	0	2,592	4,877	0	1163
SERVICES EXPENSE	SERVX	350,585	97,045	15,507	7,962	7,440	13,693	52,443	1163
- CABSX EXPENSE	CABSX	41,758	20,879	0	0	7,247	13,632	0	1163
EXEC & PLANNING EXP	EXEPLX	1,040,291	277,585	147,186	64,731	12,396	23,077	30,195	1163
GENERAL & ADMIN EXP	GENADX	750,570	260,682	138,224	60,789	11,641	21,672	28,357	1163
OTHER TAXES (EXCL FIT & ITC)	OTAXES	70,009	17,720	14,893	0	981	1,846	0	1163
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1163
NON-OPERATING INC & EXP	NONOPX	20,549	6,176	5,191	0	342	643	0	1163
INTEREST & RELATED ITEMS(IRI)	INTREL	149,707	39,292	33,023	0	2,176	4,093	0	1163

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	4,458	1,333	516	408	372	37	0	1164
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1164
- GENERAL SUPPORT FACILITIES	GSF	27,218	10,530	4,078	3,227	2,936	290	0	1164
- CENTRAL OFFICE EQUIPMENT	COE	415,436	239,425	32,537	155,447	49,841	1,600	0	1164
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1164
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1164
-- COE CAT 3	COE3	182,879	155,447	0	155,447	0	0	0	1164
-- COE CAT 4.11	COE411	989	989	0	0	0	989	0	1164
-- COE CAT 4.12	COE412	12,412	0	0	0	0	0	0	1164
-- COE CAT 4.13	COE413	135,076	32,537	32,537	0	0	0	0	1164
-- COE CAT 4.2	COE42	84,080	50,452	0	0	49,841	611	0	1164
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1164
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1164
- CABLE & WIRE FACILITIES	CWF	895,773	267,870	163,899	0	91,620	12,350	0	1164
-- C&WF CAT 1.1	CWF11	24,833	0	0	0	0	0	0	1164
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1164
-- C&WF CAT 1.3	CWF13	655,597	163,899	163,899	0	0	0	0	1164
-- C&WF CAT 2	CWF2	18,138	4,979	0	0	0	4,979	0	1164
-- C&WF CAT 3	CWF3	197,205	98,991	0	0	91,620	7,371	0	1164
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1164
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1164
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1164
TELCOM PLANT-OTHER	PLTOTH	73,780	28,545	11,053	8,747	7,960	785	0	1164
ACCUM DEPRECIATION	ACCDEP	844,122	358,683	117,566	157,131	75,387	8,599	0	1164
ACCUM AMORTIZATION	ACCAMO	67,621	26,162	10,130	8,017	7,295	719	0	1164
NET DEFERRED FIT	NTDFIT	62,250	24,084	9,326	7,380	6,716	662	0	1164
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1164
GENERAL SUPPORT EXP	GSFX	20,646	7,988	3,093	2,448	2,227	220	0	1164
COE EXPENSE	COEX	56,665	32,657	4,459	21,149	6,830	219	0	1164
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1164
C&WF EXPENSE	CWFX	37,276	11,147	6,820	0	3,813	514	0	1164
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1164
NETWORK OPERATIONS EXP	NETOPX	1,437	556	215	170	155	15	0	1164
DEPREC & AMORT EXP	DEPAMX	87,868	41,840	10,581	22,613	7,903	744	0	1164
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1164
SERVICES EXPENSE	SERVX	34,961	11,073	1,795	2,632	2,388	197	4,062	1164
- CABSX EXPENSE	CABSX	8,759	4,380	0	2,190	1,993	197	0	1164
EXEC & PLANNING EXP	EXEPLX	18,371	7,873	2,034	3,277	1,913	145	504	1164
GENERAL & ADMIN EXP	GENADX	87,736	41,434	10,703	17,247	10,070	761	2,654	1164
OTHER TAXES (EXCL FIT & ITC)	OTAXES	15,635	6,133	2,650	1,271	2,028	185	0	1164
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1164
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1164
INTEREST & RELATED ITEMS(IRI)	INTREL	52,256	16,382	6,343	5,020	4,568	450	0	1164

APPENDIX B1

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	165,138	43,950	14,836	14,318	5,754	9,042	0	1165
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1165
- GENERAL SUPPORT FACILITIES	GSF	6,348,772	2,426,868	819,242	790,608	317,708	499,311	0	1165
- CENTRAL OFFICE EQUIPMENT	COE	10,523,422	5,400,180	171,389	2,787,800	1,052,286	1,388,706	0	1165
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1165
-- COE CAT 2	COE2	225,555	92,261	0	0	92,261	0	0	1165
-- COE CAT 3	COE3	6,448,762	2,787,800	0	2,787,800	0	0	0	1165
-- COE CAT 4.11	COE411	740,493	739,770	0	0	0	739,770	0	1165
-- COE CAT 4.12	COE412	172,824	0	0	0	0	0	0	1165
-- COE CAT 4.13	COE413	697,733	174,578	171,389	0	0	3,189	0	1165
-- COE CAT 4.2	COE42	2,028,058	1,567,646	0	0	921,900	645,747	0	1165
-- COE CAT 4.3	COE43	209,997	38,125	0	0	38,125	0	0	1165
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1165
- CABLE & WIRE FACILITIES	CWF	11,863,291	3,157,316	2,717,379	0	68,000	371,938	0	1165
-- C&WF CAT 1.1	CWF11	142,512	0	0	0	0	0	0	1165
-- C&WF CAT 1.2	CWF12	50,569	50,569	0	0	0	50,569	0	1165
-- C&WF CAT 1.3	CWF13	10,869,515	2,717,379	2,717,379	0	0	0	0	1165
-- C&WF CAT 2	CWF2	356,796	97,914	0	0	0	97,914	0	1165
-- C&WF CAT 3	CWF3	375,585	279,052	0	0	55,597	223,455	0	1165
-- C&WF CAT 4	CWF4	68,314	12,402	0	0	12,402	0	0	1165
- TANGIBLES	TANGIB	55,890	21,365	7,212	6,960	2,797	4,396	0	1165
- INTANGIBLES	INTANG	60,654	23,185	7,827	7,553	3,035	4,770	0	1165
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1165
ACCUM DEPRECIATION	ACCDEP	17,998,235	6,991,830	2,120,190	2,655,233	876,073	1,340,335	0	1165
ACCUM AMORTIZATION	ACCAMO	49,834	19,049	6,431	6,206	2,494	3,919	0	1165
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1165
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1165
GENERAL SUPPORT EXP	GSFX	597,548	228,417	77,107	74,412	29,903	46,995	0	1165
COE EXPENSE	COEX	1,189,803	610,557	28,268	188,657	164,585	229,047	0	1165
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1165
C&WF EXPENSE	CWFX	826,863	220,063	189,399	0	4,740	25,924	0	1165
OTHER PROP & PL EXP	OTHPX	69,409	26,532	8,956	8,643	3,473	5,459	0	1165
NETWORK OPERATIONS EXP	NETOPX	536,713	205,163	69,257	66,836	26,858	42,211	0	1165
DEPREC & AMORT EXP	DEPAMX	1,612,094	668,357	177,339	217,216	109,590	164,212	0	1165
MARKETING EXPENSE	MRKTX	248,351	67,460	22,773	21,977	8,831	13,879	0	1165
SERVICES EXPENSE	SERVX	1,475,527	380,986	129,256	141,619	56,376	53,735	0	1165
- CABSX EXPENSE	CABSX	343,179	171,590	0	84,385	33,910	53,294	0	1165
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1165
GENERAL & ADMIN EXP	GENADX	2,030,323	704,532	255,421	185,740	109,033	154,338	0	1165
OTHER TAXES (EXCL FIT & ITC)	OTAXES	263,103	100,573	33,951	32,764	13,166	20,692	0	1165
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1165
NON-OPERATING INC & EXP	NONOPX	49,754	17,265	5,828	5,624	2,260	3,552	0	1165
INTEREST & RELATED ITEMS(IRI)	INTREL	433	160	54	52	21	33	0	1165

APPENDIX B1

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COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	307,533	78,279	39,485	21,781	6,485	10,406	123	1166
RTB STOCK	RTBSTK	38,304	12,135	6,121	3,376	1,005	1,613	19	1166
- GENERAL SUPPORT FACILITIES	GSF	5,287,810	1,675,156	838,122	462,330	137,646	220,872	16,185	1166
- CENTRAL OFFICE EQUIPMENT	COE	11,366,148	4,592,782	801,686	2,410,249	292,942	1,087,905	0	1166
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1166
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1166
-- COE CAT 3	COE3	6,053,300	2,410,249	0	2,410,249	0	0	0	1166
-- COE CAT 4.11	COE411	1,006,311	999,899	0	0	0	999,899	0	1166
-- COE CAT 4.12	COE412	238,567	0	0	0	0	0	0	1166
-- COE CAT 4.13	COE413	3,277,867	811,747	801,686	0	0	10,061	0	1166
-- COE CAT 4.2	COE42	398,545	256,364	0	0	178,419	77,945	0	1166
-- COE CAT 4.3	COE43	391,558	114,523	0	0	114,523	0	0	1166
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1166
- CABLE & WIRE FACILITIES	CWF	15,934,238	4,055,867	3,567,664	0	424,645	63,559	0	1166
-- C&WF CAT 1.1	CWF11	271,734	0	0	0	0	0	0	1166
-- C&WF CAT 1.2	CWF12	44,774	44,774	0	0	0	44,774	0	1166
-- C&WF CAT 1.3	CWF13	14,270,655	3,567,664	3,567,664	0	0	0	0	1166
-- C&WF CAT 2	CWF2	295,288	11,776	0	0	0	11,776	0	1166
-- C&WF CAT 3	CWF3	304,842	213,186	0	0	206,178	7,008	0	1166
-- C&WF CAT 4	CWF4	746,945	218,466	0	0	218,466	0	0	1166
- TANGIBLES	TANGIB	531,551	168,393	84,251	46,475	13,837	22,203	1,627	1166
- INTANGIBLES	INTANG	924	293	148	81	24	39	0	1166
TELCOM PLANT-OTHER	PLTOTH	86,841	27,464	13,875	7,654	2,279	3,657	0	1166
ACCUM DEPRECIATION	ACCDEP	17,903,843	5,841,943	2,717,029	1,738,617	479,327	895,958	11,012	1166
ACCUM AMORTIZATION	ACCAMO	145,726	45,722	23,099	12,742	3,794	6,087	0	1166
NET DEFERRED FIT	NTDFIT	2,609,861	825,495	417,045	230,053	68,492	109,905	0	1166
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1166
GENERAL SUPPORT EXP	GSFX	453,384	143,630	71,862	39,641	11,802	18,938	1,388	1166
COE EXPENSE	COEX	713,253	283,919	44,308	163,293	16,191	60,127	0	1166
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1166
C&WF EXPENSE	CWFX	455,180	115,861	101,914	0	12,130	1,816	0	1166
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1166
NETWORK OPERATIONS EXP	NETOPX	439,981	139,384	70,418	38,844	11,565	18,557	0	1166
DEPREC & AMORT EXP	DEPAMX	1,826,981	617,414	267,261	177,782	52,760	118,632	978	1166
MARKETING EXPENSE	MRKTX	58,743	13,020	6,567	3,623	1,079	1,731	20	1166
SERVICES EXPENSE	SERVX	569,122	188,187	45,300	48,775	11,658	7,674	74,781	1166
- CABSX EXPENSE	CABSX	56,717	28,359	0	15,972	4,755	7,631	0	1166
EXEC & PLANNING EXP	EXEPLX	274,603	90,914	38,719	28,244	6,185	10,450	7,315	1166
GENERAL & ADMIN EXP	GENADX	833,759	276,035	117,560	85,756	18,780	31,729	22,210	1166
OTHER TAXES (EXCL FIT & ITC)	OTAXES	447,743	141,933	74,758	38,001	11,831	17,272	72	1166
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1166
NON-OPERATING INC & EXP	NONOPX	18,214	6,030	3,042	1,678	500	802	9	1166
INTEREST & RELATED ITEMS(IRI)	INTREL	3,230	976	492	272	81	130	2	1166

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	0	0	0	0	0	0	0	1167
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1167
- GENERAL SUPPORT FACILITIES	GSF	807,566	384,614	108,223	153,145	53,703	69,067	477	1167
- CENTRAL OFFICE EQUIPMENT	COE	1,110,185	758,044	63,792	518,334	58,335	117,583	0	1167
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1167
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1167
-- COE CAT 3	COE3	609,805	518,334	0	518,334	0	0	0	1167
-- COE CAT 4.11	COE411	58,360	58,360	0	0	0	58,360	0	1167
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1167
-- COE CAT 4.13	COE413	264,254	63,792	63,792	0	0	0	0	1167
-- COE CAT 4.2	COE42	177,766	117,558	0	0	58,335	59,223	0	1167
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1167
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1167
- CABLE & WIRE FACILITIES	CWF	1,619,708	542,103	302,498	0	123,426	116,179	0	1167
-- C&WF CAT 1.1	CWF11	43,086	0	0	0	0	0	0	1167
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1167
-- C&WF CAT 1.3	CWF13	1,209,992	302,498	302,498	0	0	0	0	1167
-- C&WF CAT 2	CWF2	20,593	20,593	0	0	0	20,593	0	1167
-- C&WF CAT 3	CWF3	346,037	219,012	0	0	123,426	95,586	0	1167
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1167
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1167
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1167
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1167
ACCUM DEPRECIATION	ACCDEP	1,929,595	1,012,745	224,943	523,950	113,787	149,795	272	1167
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1167
NET DEFERRED FIT	NTDFIT	39,279	13,291	7,295	189	2,984	2,823	0	1167
NETWORK SUPPORT EXP	NETSPX	26,258	12,506	3,522	4,984	1,748	2,248	4	1167
GENERAL SUPPORT EXP	GSFX	53,935	25,687	7,228	10,228	3,587	4,613	32	1167
COE EXPENSE	COEX	88,107	60,160	6,304	36,470	5,765	11,620	0	1167
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1167
C&WF EXPENSE	CWFX	21,328	7,138	3,983	0	1,625	1,530	0	1167
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1167
NETWORK OPERATIONS EXP	NETOPX	10,213	4,864	1,370	1,939	680	875	0	1167
DEPREC & AMORT EXP	DEPAMX	214,505	106,136	27,223	43,545	14,656	20,679	34	1167
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1167
SERVICES EXPENSE	SERVX	35,030	9,306	1,267	2,506	815	626	4,093	1167
- CABSX EXPENSE	CABSX	4,972	2,486	0	1,380	484	622	0	1167
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1167
GENERAL & ADMIN EXP	GENADX	229,659	120,961	23,933	56,737	14,374	21,745	4,173	1167
OTHER TAXES (EXCL FIT & ITC)	OTAXES	43,693	20,095	6,255	6,803	3,088	3,946	2	1167
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1167
NON-OPERATING INC & EXP	NONOPX	5,235	2,757	777	1,099	385	496	1	1167
INTEREST & RELATED ITEMS(IRI)	INTREL	69,286	29,097	10,675	6,562	5,230	6,620	10	1167

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	0	0	0	0	0	0	0	1168
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1168
- GENERAL SUPPORT FACILITIES	GSF	203,580	67,711	38,707	12,459	6,949	5,591	4,005	1168
- CENTRAL OFFICE EQUIPMENT	COE	324,766	155,700	45,368	80,927	10,850	18,555	0	1168
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1168
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1168
-- COE CAT 3	COE3	100,245	80,927	0	80,927	0	0	0	1168
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1168
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1168
-- COE CAT 4.13	COE413	181,472	45,368	45,368	0	0	0	0	1168
-- COE CAT 4.2	COE42	18,555	18,555	0	0	0	18,555	0	1168
-- COE CAT 4.3	COE43	24,494	10,850	0	0	10,850	0	0	1168
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1168
- CABLE & WIRE FACILITIES	CWF	919,404	258,112	206,059	0	34,288	17,765	0	1168
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1168
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1168
-- C&WF CAT 1.3	CWF13	824,235	206,059	206,059	0	0	0	0	1168
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1168
-- C&WF CAT 3	CWF3	17,765	17,765	0	0	0	17,765	0	1168
-- C&WF CAT 4	CWF4	77,404	34,288	0	0	34,288	0	0	1168
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1168
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1168
TELCOM PLANT-OTHER	PLTOTH	1,977	652	396	128	71	57	0	1168
ACCUM DEPRECIATION	ACCDEP	880,897	286,313	179,654	44,944	32,534	27,195	1,985	1168
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1168
NET DEFERRED FIT	NTDFIT	136,851	45,117	27,434	8,792	4,926	3,965	0	1168
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1168
GENERAL SUPPORT EXP	GSFX	22,149	7,367	4,211	1,355	756	608	436	1168
COE EXPENSE	COEX	13,985	6,705	1,952	3,488	467	798	0	1168
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1168
C&WF EXPENSE	CWFX	22,882	6,424	5,128	0	853	442	0	1168
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1168
NETWORK OPERATIONS EXP	NETOPX	19,762	6,573	3,994	1,285	717	577	0	1168
DEPREC & AMORT EXP	DEPAMX	93,660	31,904	18,348	6,411	3,436	3,280	429	1168
MARKETING EXPENSE	MRKTX	9,902	3,101	1,868	601	335	270	26	1168
SERVICES EXPENSE	SERVX	35,244	13,135	1,189	3,856	2,092	1,547	4,450	1168
- CABSX EXPENSE	CABSX	13,811	6,906	0	3,441	1,920	1,545	0	1168
EXEC & PLANNING EXP	EXEPLX	41,265	14,571	6,172	3,562	1,756	1,428	1,653	1168
GENERAL & ADMIN EXP	GENADX	137,339	48,495	20,541	11,856	5,846	4,751	5,501	1168
OTHER TAXES (EXCL FIT & ITC)	OTAXES	12,873	4,355	2,544	986	453	351	20	1168
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1168
NON-OPERATING INC & EXP	NONOPX	3,432	1,212	730	235	131	105	10	1168
INTEREST & RELATED ITEMS(IRI)	INTREL	6,052	2,107	1,269	409	228	183	18	1168

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	10,494	2,606	1,390	995	179	42	0	1169
RTB STOCK	RTBSTK	47,578	16,480	8,793	6,290	1,134	263	0	1169
- GENERAL SUPPORT FACILITIES	GSF	1,358,623	470,593	251,080	179,605	32,385	7,522	0	1169
- CENTRAL OFFICE EQUIPMENT	COE	1,483,991	721,753	150,993	476,292	84,518	9,950	0	1169
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1169
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1169
-- COE CAT 3	COE3	659,283	476,292	0	476,292	0	0	0	1169
-- COE CAT 4.11	COE411	33,733	0	0	0	0	0	0	1169
-- COE CAT 4.12	COE412	9,603	0	0	0	0	0	0	1169
-- COE CAT 4.13	COE413	609,528	153,917	150,993	0	0	2,923	0	1169
-- COE CAT 4.2	COE42	171,844	91,544	0	0	84,518	7,026	0	1169
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1169
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1169
- CABLE & WIRE FACILITIES	CWF	2,118,921	526,205	514,843	0	1,365	9,998	0	1169
-- C&WF CAT 1.1	CWF11	8,971	0	0	0	0	0	0	1169
-- C&WF CAT 1.2	CWF12	9,968	9,968	0	0	0	9,968	0	1169
-- C&WF CAT 1.3	CWF13	2,059,371	514,843	514,843	0	0	0	0	1169
-- C&WF CAT 2	CWF2	38,525	0	0	0	0	0	0	1169
-- C&WF CAT 3	CWF3	2,086	1,395	0	0	1,365	30	0	1169
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1169
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1169
- INTANGIBLES	INTANG	520	180	96	69	12	3	0	1169
TELCOM PLANT-OTHER	PLTOTH	155,146	53,739	28,672	20,510	3,698	859	0	1169
ACCUM DEPRECIATION	ACCDEP	1,791,781	533,506	373,936	100,111	48,255	11,204	0	1169
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1169
NET DEFERRED FIT	NTDFIT	-45,950	-5,820	-13,784	9,054	-762	-328	0	1169
NETWORK SUPPORT EXP	NETSPX	21,680	7,509	4,007	2,866	517	120	0	1169
GENERAL SUPPORT EXP	GSFX	39,138	13,556	7,233	5,174	933	217	0	1169
COE EXPENSE	COEX	345,407	167,992	63,363	64,987	35,467	4,175	0	1169
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1169
C&WF EXPENSE	CWFX	119,635	29,710	29,068	0	77	564	0	1169
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1169
NETWORK OPERATIONS EXP	NETOPX	1,206	418	223	159	29	7	0	1169
DEPREC & AMORT EXP	DEPAMX	326,918	118,536	56,164	47,962	12,306	2,105	0	1169
MARKETING EXPENSE	MRKTX	8,846	2,349	1,253	897	162	38	0	1169
SERVICES EXPENSE	SERVX	225,559	65,449	10,000	24,839	4,479	940	25,191	1169
- CABSX EXPENSE	CABSX	54,743	27,372	0	22,395	4,038	938	0	1169
EXEC & PLANNING EXP	EXEPLX	106,150	40,287	16,589	13,643	5,746	836	3,474	1169
GENERAL & ADMIN EXP	GENADX	345,586	131,159	54,006	44,415	18,706	2,721	11,310	1169
OTHER TAXES (EXCL FIT & ITC)	OTAXES	73,015	26,081	12,956	11,080	1,658	387	0	1169
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1169
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1169
INTEREST & RELATED ITEMS(IRI)	INTREL	126,327	46,556	24,839	17,768	3,204	744	0	1169

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	3,802	1,506	266	772	386	82	0	1170
RTB STOCK	RTBSTK	17,300	9,072	1,600	4,654	2,325	493	0	1170
- GENERAL SUPPORT FACILITIES	GSF	109,718	57,532	10,150	29,514	14,742	3,125	0	1170
- CENTRAL OFFICE EQUIPMENT	COE	845,632	572,632	30,821	498,291	24,104	19,415	0	1170
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1170
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1170
-- COE CAT 3	COE3	604,458	498,291	0	498,291	0	0	0	1170
-- COE CAT 4.11	COE411	7,503	5,002	0	0	0	5,002	0	1170
-- COE CAT 4.12	COE412	47,674	0	0	0	0	0	0	1170
-- COE CAT 4.13	COE413	125,917	30,821	30,821	0	0	0	0	1170
-- COE CAT 4.2	COE42	60,080	38,518	0	0	24,104	14,413	0	1170
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1170
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1170
- CABLE & WIRE FACILITIES	CWF	1,006,740	398,687	140,546	0	224,791	33,350	0	1170
-- C&WF CAT 1.1	CWF11	12,004	0	0	0	0	0	0	1170
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1170
-- C&WF CAT 1.3	CWF13	562,182	140,546	140,546	0	0	0	0	1170
-- C&WF CAT 2	CWF2	30,450	4,003	0	0	0	4,003	0	1170
-- C&WF CAT 3	CWF3	402,104	254,138	0	0	224,791	29,347	0	1170
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1170
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1170
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1170
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1170
ACCUM DEPRECIATION	ACCDEP	1,228,493	670,551	105,188	380,664	151,878	32,821	0	1170
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1170
NET DEFERRED FIT	NTDFIT	-55,952	-29,224	-5,206	-14,861	-7,547	-1,610	0	1170
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1170
GENERAL SUPPORT EXP	GSFX	5,134	2,692	475	1,381	690	146	0	1170
COE EXPENSE	COEX	39,249	26,578	4,920	14,711	3,848	3,099	0	1170
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1170
C&WF EXPENSE	CWFX	42,104	16,674	5,878	0	9,401	1,395	0	1170
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1170
NETWORK OPERATIONS EXP	NETOPX	44,375	23,269	4,105	11,937	5,962	1,264	0	1170
DEPREC & AMORT EXP	DEPAMX	147,933	90,837	9,292	65,617	12,670	3,258	0	1170
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1170
SERVICES EXPENSE	SERVX	44,200	16,699	547	7,452	3,693	769	4,239	1170
- CABSX EXPENSE	CABSX	23,233	11,617	0	7,236	3,614	766	0	1170
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1170
GENERAL & ADMIN EXP	GENADX	238,565	116,833	21,656	48,251	32,086	9,075	5,764	1170
OTHER TAXES (EXCL FIT & ITC)	OTAXES	31,541	16,392	3,009	8,082	4,378	923	0	1170
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1170
NON-OPERATING INC & EXP	NONOPX	65	32	6	16	8	2	0	1170
INTEREST & RELATED ITEMS(IRI)	INTREL	20,220	9,930	2,076	4,189	3,036	629	0	1170

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	8,132	2,851	790	1,022	623	417	0	1171
RTB STOCK	RTBSTK	83,259	36,941	10,232	13,238	8,067	5,403	0	1171
- GENERAL SUPPORT FACILITIES	GSF	1,108,207	491,695	136,198	176,199	107,376	71,922	0	1171
- CENTRAL OFFICE EQUIPMENT	COE	3,233,348	1,780,983	323,228	1,105,811	138,949	212,994	0	1171
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1171
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1171
-- COE CAT 3	COE3	1,300,954	1,105,811	0	1,105,811	0	0	0	1171
-- COE CAT 4.11	COE411	61,766	59,692	0	0	0	59,692	0	1171
-- COE CAT 4.12	COE412	100,362	0	0	0	0	0	0	1171
-- COE CAT 4.13	COE413	1,321,859	325,296	323,228	0	0	2,068	0	1171
-- COE CAT 4.2	COE42	358,135	246,582	0	0	95,347	151,234	0	1171
-- COE CAT 4.3	COE43	90,272	43,602	0	0	43,602	0	0	1171
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1171
- CABLE & WIRE FACILITIES	CWF	3,721,687	1,304,861	531,542	0	534,935	238,384	0	1171
-- C&WF CAT 1.1	CWF11	44,201	0	0	0	0	0	0	1171
-- C&WF CAT 1.2	CWF12	3,400	3,400	0	0	0	3,400	0	1171
-- C&WF CAT 1.3	CWF13	2,126,168	531,542	531,542	0	0	0	0	1171
-- C&WF CAT 2	CWF2	107,932	14,135	0	0	0	14,135	0	1171
-- C&WF CAT 3	CWF3	961,906	524,866	0	0	304,018	220,849	0	1171
-- C&WF CAT 4	CWF4	478,080	230,917	0	0	230,917	0	0	1171
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1171
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1171
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1171
ACCUM DEPRECIATION	ACCDEP	5,420,118	2,587,893	617,755	1,173,707	460,547	335,885	0	1171
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1171
NET DEFERRED FIT	NTDFIT	-274,755	-121,827	-33,793	-43,552	-26,635	-17,847	0	1171
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1171
GENERAL SUPPORT EXP	GSFX	32,111	14,247	3,946	5,105	3,111	2,084	0	1171
COE EXPENSE	COEX	172,920	95,247	18,244	57,138	7,843	12,022	0	1171
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1171
C&WF EXPENSE	CWFX	120,233	42,155	17,172	0	17,282	7,701	0	1171
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1171
NETWORK OPERATIONS EXP	NETOPX	93,785	41,611	11,526	14,911	9,087	6,087	0	1171
DEPREC & AMORT EXP	DEPAMX	511,100	223,720	65,389	76,222	45,295	36,814	0	1171
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1171
SERVICES EXPENSE	SERVX	125,828	47,608	3,660	8,995	5,441	3,294	26,217	1171
- CABSX EXPENSE	CABSX	32,432	16,216	0	8,037	4,898	3,281	0	1171
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1171
GENERAL & ADMIN EXP	GENADX	677,854	299,583	91,610	96,162	47,734	34,813	29,264	1171
OTHER TAXES (EXCL FIT & ITC)	OTAXES	91,233	38,723	11,942	10,854	9,740	6,188	0	1171
INVESTMENT TAX CREDITS (ITC)	ITC	7,130	3,163	876	1,134	691	463	0	1171
NON-OPERATING INC & EXP	NONOPX	1,760	778	215	279	170	114	0	1171
INTEREST & RELATED ITEMS(IRI)	INTREL	20,722	7,928	2,874	1,156	2,447	1,451	0	1171

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	73,829	27,525	9,811	6,540	6,298	4,876	0	1172
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1172
- GENERAL SUPPORT FACILITIES	GSF	1,472,246	652,705	232,653	155,082	149,352	115,618	0	1172
- CENTRAL OFFICE EQUIPMENT	COE	2,531,932	1,758,289	139,695	1,216,379	269,127	133,089	0	1172
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1172
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1172
-- COE CAT 3	COE3	1,431,034	1,216,379	0	1,216,379	0	0	0	1172
-- COE CAT 4.11	COE411	4,512	4,512	0	0	0	4,512	0	1172
-- COE CAT 4.12	COE412	11,454	0	0	0	0	0	0	1172
-- COE CAT 4.13	COE413	586,606	153,984	139,695	0	0	14,289	0	1172
-- COE CAT 4.2	COE42	445,416	349,067	0	0	234,779	114,288	0	1172
-- COE CAT 4.3	COE43	52,910	34,347	0	0	34,347	0	0	1172
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1172
- CABLE & WIRE FACILITIES	CWF	9,015,585	3,361,184	1,685,110	0	902,315	773,759	0	1172
-- C&WF CAT 1.1	CWF11	163,295	0	0	0	0	0	0	1172
-- C&WF CAT 1.2	CWF12	172,367	172,367	0	0	0	172,367	0	1172
-- C&WF CAT 1.3	CWF13	6,740,442	1,685,110	1,685,110	0	0	0	0	1172
-- C&WF CAT 2	CWF2	88,954	54,437	0	0	0	54,437	0	1172
-- C&WF CAT 3	CWF3	1,431,552	1,177,287	0	0	630,333	546,955	0	1172
-- C&WF CAT 4	CWF4	418,976	271,982	0	0	271,982	0	0	1172
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1172
- INTANGIBLES	INTANG	121,809	54,003	19,249	12,831	12,357	9,566	0	1172
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1172
ACCUM DEPRECIATION	ACCDEP	6,695,887	2,854,082	1,099,144	440,090	752,118	562,730	0	1172
ACCUM AMORTIZATION	ACCAMO	93,418	41,416	14,762	9,840	9,477	7,336	0	1172
NET DEFERRED FIT	NTDFIT	-12,780	-5,480	-2,092	-1,010	-1,339	-1,038	0	1172
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1172
GENERAL SUPPORT EXP	GSFX	184,829	81,942	29,208	19,469	18,750	14,515	0	1172
COE EXPENSE	COEX	182,595	126,802	8,468	93,952	16,315	8,068	0	1172
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1172
C&WF EXPENSE	CWFX	316,055	117,831	59,074	0	31,632	27,125	0	1172
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1172
NETWORK OPERATIONS EXP	NETOPX	126,986	56,298	20,067	13,376	12,882	9,972	0	1172
DEPREC & AMORT EXP	DEPAMX	661,697	301,514	100,987	78,071	70,321	52,135	0	1172
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1172
SERVICES EXPENSE	SERVX	141,845	68,486	4,523	22,359	17,800	12,139	11,666	1172
- CABSX EXPENSE	CABSX	88,066	44,033	0	16,257	15,656	12,120	0	1172
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1172
GENERAL & ADMIN EXP	GENADX	472,258	227,316	62,765	74,371	48,554	35,810	5,817	1172
OTHER TAXES (EXCL FIT & ITC)	OTAXES	121,823	55,427	19,051	15,222	11,828	9,325	0	1172
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1172
NON-OPERATING INC & EXP	NONOPX	850	409	146	97	94	72	0	1172
INTEREST & RELATED ITEMS(IRI)	INTREL	207,196	95,368	31,398	30,214	18,678	15,079	0	1172

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	183,061	46,514	31,604	10,252	995	3,663	0	1173
RTB STOCK	RTBSTK	3,793	1,147	779	253	25	90	0	1173
- GENERAL SUPPORT FACILITIES	GSF	1,263,511	382,141	259,647	84,229	8,173	30,092	0	1173
- CENTRAL OFFICE EQUIPMENT	COE	2,194,050	1,015,253	191,419	631,089	44,727	148,017	0	1173
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1173
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1173
-- COE CAT 3	COE3	1,141,190	631,089	0	631,089	0	0	0	1173
-- COE CAT 4.11	COE411	147,570	129,124	0	0	0	129,124	0	1173
-- COE CAT 4.12	COE412	35,033	0	0	0	0	0	0	1173
-- COE CAT 4.13	COE413	769,294	191,419	191,419	0	0	0	0	1173
-- COE CAT 4.2	COE42	100,963	63,620	0	0	44,727	18,893	0	1173
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1173
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1173
- CABLE & WIRE FACILITIES	CWF	7,272,887	1,847,966	1,754,003	0	16,513	77,449	0	1173
-- C&WF CAT 1.1	CWF11	33,147	0	0	0	0	0	0	1173
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1173
-- C&WF CAT 1.3	CWF13	7,016,012	1,754,003	1,754,003	0	0	0	0	1173
-- C&WF CAT 2	CWF2	165,784	52,815	0	0	0	52,815	0	1173
-- C&WF CAT 3	CWF3	57,944	41,147	0	0	16,513	24,634	0	1173
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1173
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1173
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1173
TELCOM PLANT-OTHER	PLTOTH	222,280	67,227	45,678	14,818	1,438	5,294	0	1173
ACCUM DEPRECIATION	ACCDEP	4,829,351	1,498,866	964,251	374,263	34,645	125,706	0	1173
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1173
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1173
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1173
GENERAL SUPPORT EXP	GSFX	28,028	8,477	5,760	1,868	181	668	0	1173
COE EXPENSE	COEX	185,117	85,659	26,714	32,046	6,242	20,657	0	1173
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1173
C&WF EXPENSE	CWFX	125,220	31,817	30,199	0	284	1,333	0	1173
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1173
NETWORK OPERATIONS EXP	NETOPX	109,564	33,137	22,515	7,304	709	2,609	0	1173
DEPREC & AMORT EXP	DEPAMX	768,547	246,264	148,650	64,055	7,420	26,138	0	1173
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1173
SERVICES EXPENSE	SERVX	232,407	65,218	10,524	19,124	1,851	8,154	25,564	1173
- CABSX EXPENSE	CABSX	49,236	24,618	0	16,928	1,643	6,048	0	1173
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1173
GENERAL & ADMIN EXP	GENADX	683,066	226,008	105,088	56,741	8,714	31,427	24,038	1173
OTHER TAXES (EXCL FIT & ITC)	OTAXES	63,382	19,170	13,025	4,225	410	1,510	0	1173
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1173
NON-OPERATING INC & EXP	NONOPX	6,572	2,174	1,477	479	47	171	0	1173
INTEREST & RELATED ITEMS(IRI)	INTREL	186	55	37	12	1	4	0	1173

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	163,660	39,148	24,453	7,279	5,370	1,996	50	1174
RTB STOCK	RTBSTK	24,000	6,200	3,872	1,153	850	316	8	1174
- GENERAL SUPPORT FACILITIES	GSF	3,985,782	1,029,589	641,091	190,840	140,784	52,342	4,533	1174
- CENTRAL OFFICE EQUIPMENT	COE	2,257,914	728,242	49,477	473,367	161,021	44,377	0	1174
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1174
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1174
-- COE CAT 3	COE3	1,152,973	473,367	0	473,367	0	0	0	1174
-- COE CAT 4.11	COE411	567	378	0	0	0	378	0	1174
-- COE CAT 4.12	COE412	104,379	0	0	0	0	0	0	1174
-- COE CAT 4.13	COE413	198,858	49,794	49,477	0	0	316	0	1174
-- COE CAT 4.2	COE42	801,137	204,703	0	0	161,021	43,682	0	1174
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1174
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1174
- CABLE & WIRE FACILITIES	CWF	7,585,063	1,814,352	1,540,711	0	188,185	85,456	0	1174
-- C&WF CAT 1.1	CWF11	19,690	0	0	0	0	0	0	1174
-- C&WF CAT 1.2	CWF12	9,845	9,845	0	0	0	9,845	0	1174
-- C&WF CAT 1.3	CWF13	6,162,846	1,540,711	1,540,711	0	0	0	0	1174
-- C&WF CAT 2	CWF2	266,193	0	0	0	0	0	0	1174
-- C&WF CAT 3	CWF3	1,126,490	263,796	0	0	188,185	75,611	0	1174
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1174
- TANGIBLES	TANGIB	20,975	5,418	3,384	1,007	743	276	7	1174
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1174
TELCOM PLANT-OTHER	PLTOTH	593,738	153,177	95,800	28,518	21,038	7,822	0	1174
ACCUM DEPRECIATION	ACCDEP	5,229,869	1,399,726	784,851	368,189	179,095	65,891	1,701	1174
ACCUM AMORTIZATION	ACCAMO	219	56	35	10	8	3	0	1174
NET DEFERRED FIT	NTDFIT	793,166	213,890	104,217	61,682	35,968	12,023	0	1174
NETWORK SUPPORT EXP	NETSPX	33,050	8,537	5,333	1,587	1,171	435	11	1174
GENERAL SUPPORT EXP	GSFX	320,503	82,791	51,551	15,346	11,321	4,209	364	1174
COE EXPENSE	COEX	232,694	75,050	10,136	22,837	32,987	9,091	0	1174
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1174
C&WF EXPENSE	CWFX	328,731	78,633	66,773	0	8,156	3,704	0	1174
OTHER PROP & PL EXP	OTHPX	1,752	453	283	84	62	23	0	1174
NETWORK OPERATIONS EXP	NETOPX	246,452	63,662	39,816	11,852	8,744	3,251	0	1174
DEPREC & AMORT EXP	DEPAMX	955,737	261,431	134,457	81,066	33,535	12,055	318	1174
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1174
SERVICES EXPENSE	SERVX	282,376	81,779	11,947	4,829	3,294	1,225	60,485	1174
- CABSX EXPENSE	CABSX	17,967	8,984	0	4,465	3,294	1,225	0	1174
EXEC & PLANNING EXP	EXEPLX	259,351	71,156	33,828	10,291	11,965	3,993	11,078	1174
GENERAL & ADMIN EXP	GENADX	792,888	234,083	111,285	33,855	39,363	13,137	36,444	1174
OTHER TAXES (EXCL FIT & ITC)	OTAXES	201,692	54,539	36,051	8,001	7,589	2,855	43	1174
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1174
NON-OPERATING INC & EXP	NONOPX	19,287	5,595	3,495	1,040	767	285	7	1174
INTEREST & RELATED ITEMS(IRI)	INTREL	146,255	36,773	22,970	6,838	5,044	1,875	47	1174

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	147,923	36,715	20,224	12,271	882	3,155	182	1175
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1175
- GENERAL SUPPORT FACILITIES	GSF	9,038,197	2,454,996	1,333,498	809,104	58,168	208,043	46,183	1175
- CENTRAL OFFICE EQUIPMENT	COE	12,092,112	3,593,585	661,470	2,307,255	119,431	505,429	0	1175
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1175
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1175
-- COE CAT 3	COE3	8,125,626	2,307,255	0	2,307,255	0	0	0	1175
-- COE CAT 4.11	COE411	511,777	486,964	0	0	0	486,964	0	1175
-- COE CAT 4.12	COE412	146,978	0	0	0	0	0	0	1175
-- COE CAT 4.13	COE413	2,676,078	664,307	661,470	0	0	2,837	0	1175
-- COE CAT 4.2	COE42	571,985	130,399	0	0	114,772	15,627	0	1175
-- COE CAT 4.3	COE43	59,668	4,659	0	0	4,659	0	0	1175
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1175
- CABLE & WIRE FACILITIES	CWF	13,196,522	3,275,428	3,141,157	0	46,441	87,830	0	1175
-- C&WF CAT 1.1	CWF11	129,929	0	0	0	0	0	0	1175
-- C&WF CAT 1.2	CWF12	13,474	13,474	0	0	0	13,474	0	1175
-- C&WF CAT 1.3	CWF13	12,564,628	3,141,157	3,141,157	0	0	0	0	1175
-- C&WF CAT 2	CWF2	222,762	72,017	0	0	0	72,017	0	1175
-- C&WF CAT 3	CWF3	233,356	46,252	0	0	43,913	2,339	0	1175
-- C&WF CAT 4	CWF4	32,373	2,528	0	0	2,528	0	0	1175
- TANGIBLES	TANGIB	37,318	10,136	5,584	3,388	244	871	50	1175
- INTANGIBLES	INTANG	19,722	5,357	2,951	1,790	129	460	27	1175
TELCOM PLANT-OTHER	PLTOTH	602,553	163,157	90,157	54,703	3,933	14,066	300	1175
ACCUM DEPRECIATION	ACCDEP	24,269,288	6,523,792	3,733,585	2,155,509	137,421	469,517	27,760	1175
ACCUM AMORTIZATION	ACCAMO	240,269	64,799	35,872	21,766	1,565	5,597	0	1175
NET DEFERRED FIT	NTDFIT	-124,442	-33,610	-18,452	-11,614	-779	-2,765	0	1175
NETWORK SUPPORT EXP	NETSPX	16,757	4,552	2,507	1,521	109	391	23	1175
GENERAL SUPPORT EXP	GSFX	261,536	71,040	38,587	23,413	1,683	6,020	1,336	1175
COE EXPENSE	COEX	319,548	94,965	11,482	72,637	2,073	8,773	0	1175
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1175
C&WF EXPENSE	CWFX	482,153	119,672	114,766	0	1,697	3,209	0	1175
OTHER PROP & PL EXP	OTHPX	-33,619	-9,132	-5,055	-3,067	-221	-789	0	1175
NETWORK OPERATIONS EXP	NETOPX	506,755	137,647	76,200	46,235	3,324	11,888	0	1175
DEPREC & AMORT EXP	DEPAMX	2,840,164	778,639	375,133	319,712	17,637	64,183	1,975	1175
MARKETING EXPENSE	MRKTX	59,542	12,737	7,016	4,257	306	1,095	63	1175
SERVICES EXPENSE	SERVX	764,409	157,358	15,218	35,981	1,750	5,856	98,553	1175
- CABSX EXPENSE	CABSX	60,541	30,271	0	22,777	1,637	5,856	0	1175
EXEC & PLANNING EXP	EXEPLX	411,651	100,843	52,240	26,807	1,588	5,398	14,809	1175
GENERAL & ADMIN EXP	GENADX	2,742,469	706,793	366,143	187,889	11,131	37,836	103,793	1175
OTHER TAXES (EXCL FIT & ITC)	OTAXES	319,354	91,672	48,291	31,124	2,527	9,400	331	1175
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1175
NON-OPERATING INC & EXP	NONOPX	12,355	3,164	1,743	1,057	76	272	16	1175
INTEREST & RELATED ITEMS(IRI)	INTREL	5,814	1,617	891	540	39	139	8	1175

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	50,158	13,158	8,475	2,276	398	1,949	59	1176
RTB STOCK	RTBSTK	152,576	40,867	26,323	7,070	1,237	6,055	183	1176
- GENERAL SUPPORT FACILITIES	GSF	3,593,902	962,609	605,045	162,510	28,424	139,169	27,461	1176
- CENTRAL OFFICE EQUIPMENT	COE	9,160,294	2,496,749	1,024,856	885,444	130,932	455,518	0	1176
-- COE CAT 1	COE1	134,720	16	0	16	0	0	0	1176
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1176
-- COE CAT 3	COE3	3,495,435	872,653	0	872,653	0	0	0	1176
-- COE CAT 4.11	COE411	179,619	146,314	0	0	0	146,314	0	1176
-- COE CAT 4.12	COE412	89,582	0	0	0	0	0	0	1176
-- COE CAT 4.13	COE413	4,153,217	1,040,411	1,024,856	0	0	15,555	0	1176
-- COE CAT 4.2	COE42	673,357	378,971	0	0	85,322	293,648	0	1176
-- COE CAT 4.3	COE43	413,842	45,610	0	0	45,610	0	0	1176
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1176
- CABLE & WIRE FACILITIES	CWF	10,137,150	2,659,202	2,319,335	0	26,175	313,692	0	1176
-- C&WF CAT 1.1	CWF11	86,540	0	0	0	0	0	0	1176
-- C&WF CAT 1.2	CWF12	35,203	35,203	0	0	0	35,203	0	1176
-- C&WF CAT 1.3	CWF13	9,277,340	2,319,335	2,319,335	0	0	0	0	1176
-- C&WF CAT 2	CWF2	233,174	60,778	0	0	0	60,778	0	1176
-- C&WF CAT 3	CWF3	405,171	232,896	0	0	15,185	217,712	0	1176
-- C&WF CAT 4	CWF4	99,723	10,990	0	0	10,990	0	0	1176
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1176
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1176
TELCOM PLANT-OTHER	PLTOTH	1,180,323	314,728	203,630	54,693	9,566	46,838	0	1176
ACCUM DEPRECIATION	ACCDEP	12,670,259	3,353,951	2,022,433	796,287	83,532	434,708	16,991	1176
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1176
NET DEFERRED FIT	NTDFIT	663,782	188,315	129,264	4,487	11,205	43,359	0	1176
NETWORK SUPPORT EXP	NETSPX	23,662	6,338	4,082	1,096	192	939	28	1176
GENERAL SUPPORT EXP	GSFX	1,330,909	356,478	224,063	60,181	10,526	51,538	10,170	1176
COE EXPENSE	COEX	660,769	181,022	35,525	125,169	4,539	15,790	0	1176
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1176
C&WF EXPENSE	CWFX	255,058	66,907	58,356	0	659	7,893	0	1176
OTHER PROP & PL EXP	OTHPPX	934	250	162	43	8	37	0	1176
NETWORK OPERATIONS EXP	NETOPX	566,464	151,725	98,167	26,367	4,612	22,580	0	1176
DEPREC & AMORT EXP	DEPAMX	1,524,902	408,448	224,754	109,644	13,206	58,726	2,118	1176
MARKETING EXPENSE	MRKTX	164,588	30,981	19,955	5,360	937	4,590	139	1176
SERVICES EXPENSE	SERVX	916,143	224,608	118,051	43,256	7,479	12,290	43,533	1176
- CABSX EXPENSE	CABSX	58,274	29,137	0	14,344	2,509	12,284	0	1176
EXEC & PLANNING EXP	EXEPLX	986,647	252,239	141,295	63,070	6,983	27,897	12,994	1176
GENERAL & ADMIN EXP	GENADX	1,762,497	468,882	262,650	117,239	12,981	51,858	24,154	1176
OTHER TAXES (EXCL FIT & ITC)	OTAXES	320,496	90,076	60,105	12,793	2,919	14,078	181	1176
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1176
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1176
INTEREST & RELATED ITEMS(IRI)	INTREL	114,415	30,952	21,259	3,445	1,063	5,061	123	1176

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	728,503	191,303	107,102	34,676	6,397	43,129	0	1177
RTB STOCK	RTBSTK	475,950	135,436	75,824	24,549	4,529	30,534	0	1177
- GENERAL SUPPORT FACILITIES	GSF	20,343,194	5,788,831	3,240,903	1,049,289	193,565	1,305,073	0	1177
- CENTRAL OFFICE EQUIPMENT	COE	41,940,151	13,221,806	2,838,186	5,186,924	695,500	4,501,196	0	1177
-- COE CAT 1	COE1	612,885	478	0	478	0	0	0	1177
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1177
-- COE CAT 3	COE3	19,991,696	5,186,446	0	5,186,446	0	0	0	1177
-- COE CAT 4.11	COE411	861,008	716,270	0	0	0	716,270	0	1177
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1177
-- COE CAT 4.13	COE413	11,608,569	2,885,914	2,838,186	0	0	47,729	0	1177
-- COE CAT 4.2	COE42	8,128,827	4,263,261	0	0	526,063	3,737,198	0	1177
-- COE CAT 4.3	COE43	737,166	169,438	0	0	169,438	0	0	1177
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1177
- CABLE & WIRE FACILITIES	CWF	58,621,805	15,393,962	13,182,480	0	261,346	1,950,135	0	1177
-- C&WF CAT 1.1	CWF11	966,545	0	0	0	0	0	0	1177
-- C&WF CAT 1.2	CWF12	221,685	221,685	0	0	0	221,685	0	1177
-- C&WF CAT 1.3	CWF13	52,729,921	13,182,480	13,182,480	0	0	0	0	1177
-- C&WF CAT 2	CWF2	978,486	251,862	0	0	0	251,862	0	1177
-- C&WF CAT 3	CWF3	3,464,837	1,678,098	0	0	201,509	1,476,588	0	1177
-- C&WF CAT 4	CWF4	260,331	59,837	0	0	59,837	0	0	1177
- TANGIBLES	TANGIB	68,654	19,536	10,937	3,541	653	4,404	0	1177
- INTANGIBLES	INTANG	861	245	137	44	8	55	0	1177
TELCOM PLANT-OTHER	PLTOTH	2,055,300	584,853	327,433	106,011	19,556	131,853	0	1177
ACCUM DEPRECIATION	ACCDEP	68,363,489	19,440,931	9,199,900	5,476,976	618,518	4,145,537	0	1177
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1177
NET DEFERRED FIT	NTDFIT	6,102,232	1,762,450	1,031,790	293,941	56,154	380,564	0	1177
NETWORK SUPPORT EXP	NETSPX	694,170	197,532	110,589	35,805	6,605	44,533	0	1177
GENERAL SUPPORT EXP	GSFX	2,985,867	849,654	475,683	154,009	28,411	191,552	0	1177
COE EXPENSE	COEX	3,173,935	1,000,596	227,435	356,730	55,733	360,698	0	1177
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1177
C&WF EXPENSE	CWFX	1,462,964	384,171	328,982	0	6,522	48,668	0	1177
OTHER PROP & PL EXP	OTHPX	37,618	10,705	5,993	1,940	358	2,413	0	1177
NETWORK OPERATIONS EXP	NETOPX	3,133,413	891,640	499,188	161,620	29,814	201,017	0	1177
DEPREC & AMORT EXP	DEPAMX	9,784,918	2,949,161	1,375,735	556,390	133,743	883,292	0	1177
MARKETING EXPENSE	MRKTX	1,975,136	541,286	303,041	98,114	18,099	122,031	0	1177
SERVICES EXPENSE	SERVX	3,017,403	513,052	206,015	52,171	9,305	15,057	230,504	1177
- CABSX EXPENSE	CABSX	58,468	29,234	0	12,039	2,221	14,974	0	1177
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1177
GENERAL & ADMIN EXP	GENADX	9,526,260	2,504,026	1,280,330	471,770	84,906	540,629	126,390	1177
OTHER TAXES (EXCL FIT & ITC)	OTAXES	1,139,420	342,506	215,004	34,741	11,939	80,822	0	1177
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1177
NON-OPERATING INC & EXP	NONOPX	242,188	63,660	35,641	11,539	2,129	14,352	0	1177
INTEREST & RELATED ITEMS(IRI)	INTREL	790,234	224,399	151,693	10,027	8,049	54,631	0	1177

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	297,433	74,783	51,526	18,634	716	3,759	147	1178
RTB STOCK	RTBSTK	304,000	83,930	57,829	20,913	804	4,219	165	1178
- GENERAL SUPPORT FACILITIES	GSF	11,174,456	3,085,117	2,107,522	762,148	29,303	153,760	32,383	1178
- CENTRAL OFFICE EQUIPMENT	COE	18,740,598	5,904,885	2,022,424	3,334,715	44,983	502,763	0	1178
-- COE CAT 1	COE1	308,730	0	0	0	0	0	0	1178
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1178
-- COE CAT 3	COE3	9,448,499	3,334,715	0	3,334,715	0	0	0	1178
-- COE CAT 4.11	COE411	431,938	431,938	0	0	0	431,938	0	1178
-- COE CAT 4.12	COE412	114,856	7,938	0	0	0	7,938	0	1178
-- COE CAT 4.13	COE413	8,151,556	2,025,239	2,022,424	0	0	2,816	0	1178
-- COE CAT 4.2	COE42	285,019	105,054	0	0	44,983	60,071	0	1178
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1178
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1178
- CABLE & WIRE FACILITIES	CWF	29,639,106	7,452,101	7,198,867	0	83,232	170,002	0	1178
-- C&WF CAT 1.1	CWF11	137,813	0	0	0	0	0	0	1178
-- C&WF CAT 1.2	CWF12	10,023	10,023	0	0	0	10,023	0	1178
-- C&WF CAT 1.3	CWF13	28,795,468	7,198,867	7,198,867	0	0	0	0	1178
-- C&WF CAT 2	CWF2	177,556	57,369	0	0	0	57,369	0	1178
-- C&WF CAT 3	CWF3	518,246	185,843	0	0	83,232	102,611	0	1178
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1178
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1178
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1178
TELCOM PLANT-OTHER	PLTOTH	1,880,702	518,214	357,760	129,378	4,974	26,101	0	1178
ACCUM DEPRECIATION	ACCDEP	33,484,716	9,425,883	5,912,891	2,872,603	86,970	531,585	21,834	1178
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1178
NET DEFERRED FIT	NTDFIT	2,790,029	817,334	409,696	382,587	5,219	19,833	0	1178
NETWORK SUPPORT EXP	NETSPX	3,858	1,065	734	265	10	54	2	1178
GENERAL SUPPORT EXP	GSFX	381,175	105,237	71,890	25,998	1,000	5,245	1,105	1178
COE EXPENSE	COEX	939,034	295,876	35,158	251,196	782	8,740	0	1178
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1178
C&WF EXPENSE	CWFX	496,911	124,937	120,692	0	1,395	2,850	0	1178
OTHER PROP & PL EXP	OTHPX	13,698	3,782	2,611	944	36	190	0	1178
NETWORK OPERATIONS EXP	NETOPX	817,050	225,577	155,732	56,318	2,165	11,362	0	1178
DEPREC & AMORT EXP	DEPAMX	4,483,873	1,319,085	731,129	474,461	12,345	99,248	1,902	1178
MARKETING EXPENSE	MRKTX	119,100	45,818	31,569	11,416	439	2,303	90	1178
SERVICES EXPENSE	SERVX	493,083	64,124	10,370	11,075	425	2,228	40,027	1178
- CABSX EXPENSE	CABSX	27,392	13,696	0	11,043	425	2,228	0	1178
EXEC & PLANNING EXP	EXEPLX	329,095	86,872	46,631	32,844	575	3,032	3,790	1178
GENERAL & ADMIN EXP	GENADX	1,694,797	459,375	246,583	173,677	3,040	16,031	20,043	1178
OTHER TAXES (EXCL FIT & ITC)	OTAXES	611,462	175,031	132,861	32,035	1,777	8,203	155	1178
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1178
NON-OPERATING INC & EXP	NONOPX	7,313	1,974	1,360	492	19	99	4	1178
INTEREST & RELATED ITEMS(IRI)	INTREL	412,125	110,001	75,792	27,409	1,054	5,530	217	1178

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	27,871	13,204	1,331	6,927	4,115	802	30	1179
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1179
- GENERAL SUPPORT FACILITIES	GSF	727,396	468,631	46,802	243,586	144,686	28,195	5,362	1179
- CENTRAL OFFICE EQUIPMENT	COE	1,473,907	1,201,868	7,851	1,000,561	162,749	30,707	0	1179
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1179
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1179
-- COE CAT 3	COE3	1,177,131	1,000,561	0	1,000,561	0	0	0	1179
-- COE CAT 4.11	COE411	25,110	25,110	0	0	25,110	0	0	1179
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1179
-- COE CAT 4.13	COE413	34,121	10,472	7,851	0	0	2,621	0	1179
-- COE CAT 4.2	COE42	29,055	28,087	0	0	0	28,087	0	1179
-- COE CAT 4.3	COE43	208,490	137,639	0	0	137,639	0	0	1179
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1179
- CABLE & WIRE FACILITIES	CWF	1,479,773	701,067	184,393	0	431,565	85,109	0	1179
-- C&WF CAT 1.1	CWF11	2,280	0	0	0	0	0	0	1179
-- C&WF CAT 1.2	CWF12	61,559	61,559	0	0	0	61,559	0	1179
-- C&WF CAT 1.3	CWF13	737,571	184,393	184,393	0	0	0	0	1179
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1179
-- C&WF CAT 3	CWF3	24,645	23,550	0	0	0	23,550	0	1179
-- C&WF CAT 4	CWF4	653,718	431,565	0	0	431,565	0	0	1179
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1179
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1179
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1179
ACCUM DEPRECIATION	ACCDEP	1,583,897	1,067,356	86,740	632,111	290,226	56,397	1,882	1179
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1179
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1179
NETWORK SUPPORT EXP	NETSPX	4,118	2,653	267	1,392	827	161	6	1179
GENERAL SUPPORT EXP	GSFX	26,578	17,123	1,710	8,900	5,287	1,030	196	1179
COE EXPENSE	COEX	81,555	66,502	382	56,718	7,910	1,493	0	1179
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1179
C&WF EXPENSE	CWFX	61,319	29,051	7,641	0	17,883	3,527	0	1179
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1179
NETWORK OPERATIONS EXP	NETOPX	31,283	20,154	2,036	10,597	6,294	1,227	0	1179
DEPREC & AMORT EXP	DEPAMX	241,169	166,298	12,135	107,473	38,869	7,565	256	1179
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1179
SERVICES EXPENSE	SERVX	63,789	38,132	4,073	8,032	4,641	53	21,334	1179
- CABSX EXPENSE	CABSX	1,544	772	0	452	268	52	0	1179
EXEC & PLANNING EXP	EXEPLX	24,916	16,109	1,947	7,700	3,852	673	1,936	1179
GENERAL & ADMIN EXP	GENADX	131,712	93,793	11,335	44,834	22,429	3,921	11,274	1179
OTHER TAXES (EXCL FIT & ITC)	OTAXES	24,265	15,598	1,576	8,201	4,871	949	0	1179
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1179
NON-OPERATING INC & EXP	NONOPX	829	582	59	305	181	35	1	1179
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1179

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	134,742	38,996	13,361	18,213	4,136	3,286	0	1180
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1180
- GENERAL SUPPORT FACILITIES	GSF	1,176,276	484,308	165,933	226,198	51,373	40,805	0	1180
- CENTRAL OFFICE EQUIPMENT	COE	2,639,945	1,574,345	201,340	1,273,915	86,993	12,097	0	1180
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1180
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1180
-- COE CAT 3	COE3	1,498,723	1,273,915	0	1,273,915	0	0	0	1180
-- COE CAT 4.11	COE411	9,704	9,704	0	0	0	9,704	0	1180
-- COE CAT 4.12	COE412	10,365	0	0	0	0	0	0	1180
-- COE CAT 4.13	COE413	805,361	201,340	201,340	0	0	0	0	1180
-- COE CAT 4.2	COE42	315,792	89,386	0	0	86,993	2,393	0	1180
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1180
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1180
- CABLE & WIRE FACILITIES	CWF	3,984,670	1,153,209	733,168	0	202,330	217,711	0	1180
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1180
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1180
-- C&WF CAT 1.3	CWF13	2,932,673	733,168	733,168	0	0	0	0	1180
-- C&WF CAT 2	CWF2	107,874	23,431	0	0	0	23,431	0	1180
-- C&WF CAT 3	CWF3	944,123	396,610	0	0	202,330	194,280	0	1180
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1180
- TANGIBLES	TANGIB	28,511	11,739	4,022	5,483	1,245	989	0	1180
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1180
TELCOM PLANT-OTHER	PLTOTH	180,083	74,146	25,404	34,630	7,865	6,247	0	1180
ACCUM DEPRECIATION	ACCDEP	3,611,150	1,506,702	503,473	723,127	155,072	125,029	0	1180
ACCUM AMORTIZATION	ACCAMO	17,649	7,267	2,490	3,394	771	612	0	1180
NET DEFERRED FIT	NTDFIT	248,036	102,124	34,989	47,697	10,833	8,604	0	1180
NETWORK SUPPORT EXP	NETSPX	26,892	11,072	3,794	5,171	1,174	933	0	1180
GENERAL SUPPORT EXP	GSFX	97,645	40,203	13,774	18,777	4,265	3,387	0	1180
COE EXPENSE	COEX	39,925	23,809	11,500	6,650	4,969	691	0	1180
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1180
C&WF EXPENSE	CWFX	131,077	37,935	24,118	0	6,656	7,162	0	1180
OTHER PROP & PL EXP	OTHPPX	18,972	7,811	2,676	3,648	829	658	0	1180
NETWORK OPERATIONS EXP	NETOPX	104,256	42,925	14,707	20,048	4,553	3,617	0	1180
DEPREC & AMORT EXP	DEPAMX	315,601	138,890	41,370	74,781	13,278	9,460	0	1180
MARKETING EXPENSE	MRKTX	182	0	0	0	0	0	0	1180
SERVICES EXPENSE	SERVX	65,233	24,087	2,184	12,281	2,763	2,038	4,820	1180
- CABSX EXPENSE	CABSX	31,692	15,860	0	11,268	2,559	2,033	0	1180
EXEC & PLANNING EXP	EXEPLX	219,795	83,992	33,350	29,295	11,092	8,134	2,121	1180
GENERAL & ADMIN EXP	GENADX	379,961	160,355	63,670	55,929	21,177	15,530	4,049	1180
OTHER TAXES (EXCL FIT & ITC)	OTAXES	39,928	16,440	5,632	7,678	1,744	1,385	0	1180
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1180
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1180
INTEREST & RELATED ITEMS(IRI)	INTREL	143,310	57,784	19,798	26,988	6,129	4,869	0	1180

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	1,427,809	389,825	159,370	123,788	19,717	85,452	1,498	1181
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1181
- GENERAL SUPPORT FACILITIES	GSF	6,377,102	2,665,413	1,063,075	825,727	131,519	570,006	75,088	1181
- CENTRAL OFFICE EQUIPMENT	COE	16,414,707	10,314,596	1,339,860	5,360,387	720,836	2,893,513	0	1181
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1181
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1181
-- COE CAT 3	COE3	6,306,338	5,341,777	0	5,341,777	0	0	0	1181
-- COE CAT 4.11	COE411	1,906,660	1,896,669	0	0	0	1,896,669	0	1181
-- COE CAT 4.12	COE412	320,234	0	0	0	0	0	0	1181
-- COE CAT 4.13	COE413	5,525,833	1,398,767	1,339,860	0	0	58,908	0	1181
-- COE CAT 4.2	COE42	1,806,835	1,438,479	0	0	500,543	937,936	0	1181
-- COE CAT 4.3	COE43	528,370	220,293	0	0	220,293	0	0	1181
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1181
- CABLE & WIRE FACILITIES	CWF	23,957,100	6,540,846	5,585,285	0	135,909	819,652	0	1181
-- C&WF CAT 1.1	CWF11	448,067	0	0	0	0	0	0	1181
-- C&WF CAT 1.2	CWF12	245,560	245,560	0	0	0	245,560	0	1181
-- C&WF CAT 1.3	CWF13	22,341,141	5,585,285	5,585,285	0	0	0	0	1181
-- C&WF CAT 2	CWF2	421,004	380,381	0	0	0	380,381	0	1181
-- C&WF CAT 3	CWF3	274,461	235,032	0	0	41,321	193,711	0	1181
-- C&WF CAT 4	CWF4	226,868	94,588	0	0	94,588	0	0	1181
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1181
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1181
TELCOM PLANT-OTHER	PLTOTH	354,810	147,729	60,628	47,092	7,501	32,508	0	1181
ACCUM DEPRECIATION	ACCDEP	24,976,723	11,556,273	3,798,008	4,573,721	597,541	2,536,718	50,285	1181
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1181
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1181
NETWORK SUPPORT EXP	NETSPX	49,377	20,638	8,437	6,554	1,044	4,524	79	1181
GENERAL SUPPORT EXP	GSFX	809,828	338,481	135,000	104,859	16,702	72,385	9,535	1181
COE EXPENSE	COEX	1,006,526	633,617	88,534	306,257	47,631	191,195	0	1181
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1181
C&WF EXPENSE	CWFX	1,049,399	286,510	244,654	0	5,953	35,903	0	1181
OTHER PROP & PL EXP	OTHPX	246,318	102,953	42,252	32,819	5,227	22,655	0	1181
NETWORK OPERATIONS EXP	NETOPX	1,154,469	482,529	198,031	153,817	24,499	106,181	0	1181
DEPREC & AMORT EXP	DEPAMX	2,992,121	1,614,363	363,773	917,737	62,897	265,165	4,790	1181
MARKETING EXPENSE	MRKTX	123,148	52,557	21,487	16,689	2,658	11,521	202	1181
SERVICES EXPENSE	SERVX	1,173,652	335,405	77,057	31,335	4,697	3,180	219,135	1181
- CABSX EXPENSE	CABSX	16,949	8,475	0	4,582	730	3,163	0	1181
EXEC & PLANNING EXP	EXEPLX	903,709	359,026	140,942	98,983	16,450	67,910	34,741	1181
GENERAL & ADMIN EXP	GENADX	1,455,459	581,795	228,393	160,401	26,657	110,046	56,297	1181
OTHER TAXES (EXCL FIT & ITC)	OTAXES	227,858	94,871	38,935	30,242	4,817	20,877	0	1181
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1181
NON-OPERATING INC & EXP	NONOPX	47,970	19,130	7,821	6,075	968	4,193	74	1181
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1181

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	209,416	69,097	23,416	20,600	6,761	18,155	166	1182
RTB STOCK	RTBSTK	267,761	118,170	40,045	35,230	11,562	31,048	285	1182
- GENERAL SUPPORT FACILITIES	GSF	3,656,547	1,613,731	541,594	476,466	156,374	419,908	19,389	1182
- CENTRAL OFFICE EQUIPMENT	COE	6,768,476	3,858,349	594,570	1,924,400	453,579	885,800	0	1182
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1182
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1182
-- COE CAT 3	COE3	2,264,000	1,924,400	0	1,924,400	0	0	0	1182
-- COE CAT 4.11	COE411	1,297,757	793,074	0	0	0	793,074	0	1182
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1182
-- COE CAT 4.13	COE413	2,495,079	627,904	594,570	0	0	33,334	0	1182
-- COE CAT 4.2	COE42	647,915	481,173	0	0	421,780	59,392	0	1182
-- COE CAT 4.3	COE43	63,725	31,799	0	0	31,799	0	0	1182
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1182
- CABLE & WIRE FACILITIES	CWF	7,822,526	2,581,047	1,592,878	0	178,000	810,169	0	1182
-- C&WF CAT 1.1	CWF11	223,611	0	0	0	0	0	0	1182
-- C&WF CAT 1.2	CWF12	89,304	89,304	0	0	0	89,304	0	1182
-- C&WF CAT 1.3	CWF13	6,371,511	1,592,878	1,592,878	0	0	0	0	1182
-- C&WF CAT 2	CWF2	32,189	29,507	0	0	0	29,507	0	1182
-- C&WF CAT 3	CWF3	749,198	691,358	0	0	0	691,358	0	1182
-- C&WF CAT 4	CWF4	356,713	178,000	0	0	178,000	0	0	1182
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1182
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1182
TELCOM PLANT-OTHER	PLTOTH	29,207	12,859	4,368	3,843	1,261	3,387	0	1182
ACCUM DEPRECIATION	ACCDEP	8,624,243	4,407,146	1,020,641	1,948,038	431,928	998,133	8,406	1182
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1182
NET DEFERRED FIT	NTDFIT	851,647	374,951	127,310	112,211	36,745	98,686	0	1182
NETWORK SUPPORT EXP	NETSPX	57	25	9	7	2	7	0	1182
GENERAL SUPPORT EXP	GSFX	159,415	70,354	23,612	20,773	6,817	18,307	845	1182
COE EXPENSE	COEX	175,479	99,392	12,230	59,613	9,330	18,220	0	1182
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1182
C&WF EXPENSE	CWFX	348,398	114,954	70,604	0	8,440	35,911	0	1182
OTHER PROP & PL EXP	OTHPX	76,608	33,809	11,485	10,104	3,316	8,904	0	1182
NETWORK OPERATIONS EXP	NETOPX	122,488	54,057	18,363	16,155	5,302	14,237	0	1182
DEPREC & AMORT EXP	DEPAMX	1,140,256	583,596	135,477	263,397	54,868	128,775	1,079	1182
MARKETING EXPENSE	MRKTX	141,414	78,459	26,588	23,391	7,677	20,614	189	1182
SERVICES EXPENSE	SERVX	560,721	213,375	47,854	55,130	15,801	7,591	87,000	1182
- CABSX EXPENSE	CABSX	37,878	18,939	0	8,572	2,813	7,554	0	1182
EXEC & PLANNING EXP	EXEPLX	108,130	44,923	16,873	11,449	3,505	7,654	5,443	1182
GENERAL & ADMIN EXP	GENADX	396,508	184,912	69,452	47,125	14,426	31,504	22,404	1182
OTHER TAXES (EXCL FIT & ITC)	OTAXES	117,851	51,886	17,625	15,506	5,089	13,665	0	1182
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1182
NON-OPERATING INC & EXP	NONOPX	1,739	792	268	236	77	208	2	1182
INTEREST & RELATED ITEMS(IRI)	INTREL	110,946	41,496	14,062	12,371	4,060	10,903	100	1182

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	259,954	89,709	41,220	19,864	15,708	12,917	0	1183
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1183
- GENERAL SUPPORT FACILITIES	GSF	1,268,224	504,838	231,966	111,786	88,399	72,688	0	1183
- CENTRAL OFFICE EQUIPMENT	COE	3,026,504	1,588,480	398,915	905,273	148,291	136,001	0	1183
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1183
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1183
-- COE CAT 3	COE3	1,065,027	905,273	0	905,273	0	0	0	1183
-- COE CAT 4.11	COE411	28,480	28,480	0	0	0	28,480	0	1183
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1183
-- COE CAT 4.13	COE413	1,619,588	409,383	398,915	0	0	10,468	0	1183
-- COE CAT 4.2	COE42	126,888	114,560	0	0	17,508	97,053	0	1183
-- COE CAT 4.3	COE43	186,521	130,783	0	0	130,783	0	0	1183
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1183
- CABLE & WIRE FACILITIES	CWF	7,243,957	2,499,851	1,479,613	0	567,589	452,649	0	1183
-- C&WF CAT 1.1	CWF11	49,921	0	0	0	0	0	0	1183
-- C&WF CAT 1.2	CWF12	38,828	38,828	0	0	0	38,828	0	1183
-- C&WF CAT 1.3	CWF13	5,918,454	1,479,613	1,479,613	0	0	0	0	1183
-- C&WF CAT 2	CWF2	104,567	104,567	0	0	0	104,567	0	1183
-- C&WF CAT 3	CWF3	375,128	346,016	0	0	36,762	309,254	0	1183
-- C&WF CAT 4	CWF4	757,059	530,827	0	0	530,827	0	0	1183
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1183
- INTANGIBLES	INTANG	159,298	63,411	29,137	14,041	11,104	9,130	0	1183
TELCOM PLANT-OTHER	PLTOTH	418,121	166,440	76,477	36,855	29,144	23,965	0	1183
ACCUM DEPRECIATION	ACCDEP	2,673,299	1,025,175	504,645	171,104	192,837	156,588	0	1183
ACCUM AMORTIZATION	ACCAMO	114,480	45,571	20,939	10,091	7,980	6,561	0	1183
NET DEFERRED FIT	NTDFIT	792,952	315,948	144,914	70,398	55,224	45,412	0	1183
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1183
GENERAL SUPPORT EXP	GSFX	158,955	63,275	29,074	14,011	11,080	9,110	0	1183
COE EXPENSE	COEX	220,742	115,858	20,571	80,626	7,647	7,013	0	1183
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1183
C&WF EXPENSE	CWFX	374,234	129,146	76,439	0	29,323	23,385	0	1183
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1183
NETWORK OPERATIONS EXP	NETOPX	113,531	45,193	20,765	10,007	7,913	6,507	0	1183
DEPREC & AMORT EXP	DEPAMX	563,927	233,152	99,679	63,768	37,738	31,967	0	1183
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1183
SERVICES EXPENSE	SERVX	112,004	49,968	3,210	18,856	11,850	9,050	7,003	1183
- CABSX EXPENSE	CABSX	67,773	33,887	0	13,882	10,978	9,027	0	1183
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1183
GENERAL & ADMIN EXP	GENADX	421,675	189,778	72,589	57,119	31,363	25,468	3,239	1183
OTHER TAXES (EXCL FIT & ITC)	OTAXES	83,677	33,403	15,348	7,396	5,849	4,809	0	1183
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1183
NON-OPERATING INC & EXP	NONOPX	300	135	62	30	24	19	0	1183
INTEREST & RELATED ITEMS(IRI)	INTREL	380,549	152,562	68,670	36,160	26,147	21,585	0	1183

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	112,543	30,441	8,383	20,375	135	1,548	0	1184
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1184
- GENERAL SUPPORT FACILITIES	GSF	5,233,734	2,618,400	721,024	1,752,597	11,607	133,172	0	1184
- CENTRAL OFFICE EQUIPMENT	COE	7,832,791	5,483,264	459,382	4,902,747	22,283	98,853	0	1184
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1184
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1184
-- COE CAT 3	COE3	5,767,938	4,902,747	0	4,902,747	0	0	0	1184
-- COE CAT 4.11	COE411	38,858	38,858	0	0	0	38,858	0	1184
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1184
-- COE CAT 4.13	COE413	1,976,059	514,006	459,382	0	0	54,625	0	1184
-- COE CAT 4.2	COE42	49,936	27,653	0	0	22,283	5,370	0	1184
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1184
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1184
- CABLE & WIRE FACILITIES	CWF	6,808,150	1,841,496	1,557,624	0	10,186	273,686	0	1184
-- C&WF CAT 1.1	CWF11	284,506	0	0	0	0	0	0	1184
-- C&WF CAT 1.2	CWF12	185,215	185,215	0	0	0	185,215	0	1184
-- C&WF CAT 1.3	CWF13	6,230,494	1,557,624	1,557,624	0	0	0	0	1184
-- C&WF CAT 2	CWF2	85,502	85,502	0	0	0	85,502	0	1184
-- C&WF CAT 3	CWF3	22,432	13,155	0	0	10,186	2,969	0	1184
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1184
- TANGIBLES	TANGIB	82,857	41,453	11,415	27,746	184	2,108	0	1184
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1184
TELCOM PLANT-OTHER	PLTOTH	268,634	134,396	37,008	89,956	596	6,835	0	1184
ACCUM DEPRECIATION	ACCDEP	11,870,566	5,816,392	1,684,229	3,799,818	24,102	308,244	0	1184
ACCUM AMORTIZATION	ACCAMO	82,857	41,453	11,415	27,746	184	2,108	0	1184
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1184
NETWORK SUPPORT EXP	NETSPX	32,244	16,131	4,442	10,797	72	820	0	1184
GENERAL SUPPORT EXP	GSFX	1,283,446	642,099	176,814	429,782	2,846	32,657	0	1184
COE EXPENSE	COEX	1,746,445	1,222,581	286,734	860,237	13,908	61,701	0	1184
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1184
C&WF EXPENSE	CWFX	1,056,181	285,680	241,642	0	1,580	42,458	0	1184
OTHER PROP & PL EXP	OTHPX	32,921	16,470	4,535	11,024	73	838	0	1184
NETWORK OPERATIONS EXP	NETOPX	1,138,964	569,816	156,909	381,400	2,526	28,981	0	1184
DEPREC & AMORT EXP	DEPAMX	1,480,600	825,146	170,694	619,945	2,867	31,639	0	1184
MARKETING EXPENSE	MRKTX	141,639	9,023	2,485	6,039	40	459	0	1184
SERVICES EXPENSE	SERVX	510,907	142,761	29,496	44,293	294	2,119	66,559	1184
- CABSX EXPENSE	CABSX	60,384	30,192	0	27,888	185	2,119	0	1184
EXEC & PLANNING EXP	EXEPLX	486,036	235,908	75,836	139,443	1,707	13,599	5,323	1184
GENERAL & ADMIN EXP	GENADX	1,667,688	809,447	260,209	478,459	5,856	46,660	18,265	1184
OTHER TAXES (EXCL FIT & ITC)	OTAXES	5,354	2,679	738	1,793	12	136	0	1184
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1184
NON-OPERATING INC & EXP	NONOPX	30,260	14,687	4,044	9,831	65	747	0	1184
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1184

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	788	296	58	153	41	44	0	1185
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1185
- GENERAL SUPPORT FACILITIES	GSF	122,436	63,515	12,402	32,954	8,789	9,370	0	1185
- CENTRAL OFFICE EQUIPMENT	COE	409,426	250,379	29,221	181,320	22,403	17,435	0	1185
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1185
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1185
-- COE CAT 3	COE3	213,318	181,320	0	181,320	0	0	0	1185
-- COE CAT 4.11	COE411	0	0	0	0	0	0	0	1185
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1185
-- COE CAT 4.13	COE413	137,235	35,617	29,221	0	0	6,397	0	1185
-- COE CAT 4.2	COE42	58,873	33,442	0	0	22,403	11,039	0	1185
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1185
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1185
- CABLE & WIRE FACILITIES	CWF	264,247	99,094	39,018	0	25,956	34,120	0	1185
-- C&WF CAT 1.1	CWF11	18,635	0	0	0	0	0	0	1185
-- C&WF CAT 1.2	CWF12	8,541	8,541	0	0	0	8,541	0	1185
-- C&WF CAT 1.3	CWF13	156,071	39,018	39,018	0	0	0	0	1185
-- C&WF CAT 2	CWF2	0	0	0	0	0	0	0	1185
-- C&WF CAT 3	CWF3	81,000	51,535	0	0	25,956	25,579	0	1185
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1185
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1185
- INTANGIBLES	INTANG	1,095	568	111	295	79	84	0	1185
TELCOM PLANT-OTHER	PLTOTH	0	0	0	0	0	0	0	1185
ACCUM DEPRECIATION	ACCDEP	552,312	285,156	56,330	146,490	40,003	42,332	0	1185
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1185
NET DEFERRED FIT	NTDFIT	4,320	2,241	438	1,163	310	330	0	1185
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1185
GENERAL SUPPORT EXP	GSFX	11,110	5,763	1,125	2,990	798	850	0	1185
COE EXPENSE	COEX	30,055	18,380	285	17,706	219	170	0	1185
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1185
C&WF EXPENSE	CWFX	19,958	7,484	2,947	0	1,960	2,577	0	1185
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1185
NETWORK OPERATIONS EXP	NETOPX	36,247	18,803	3,672	9,756	2,602	2,774	0	1185
DEPREC & AMORT EXP	DEPAMX	57,167	30,064	5,612	16,486	4,121	3,845	0	1185
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1185
SERVICES EXPENSE	SERVX	6,909	884	562	208	55	59	0	1185
- CABSX EXPENSE	CABSX	645	323	0	208	55	59	0	1185
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1185
GENERAL & ADMIN EXP	GENADX	143,407	70,278	11,766	41,990	7,716	8,807	0	1185
OTHER TAXES (EXCL FIT & ITC)	OTAXES	4,801	2,534	483	1,341	341	369	0	1185
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1185
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1185
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1185

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COST COMPANY COST DATA

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<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	58,888	16,556	5,272	8,697	597	1,991	0	1186
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1186
- GENERAL SUPPORT FACILITIES	GSF	2,406,743	1,142,573	363,845	600,164	41,187	137,377	0	1186
- CENTRAL OFFICE EQUIPMENT	COE	3,537,521	2,363,420	259,975	1,763,253	92,087	248,105	0	1186
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1186
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1186
-- COE CAT 3	COE3	2,074,415	1,763,253	0	1,763,253	0	0	0	1186
-- COE CAT 4.11	COE411	197,081	196,464	0	0	0	196,464	0	1186
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1186
-- COE CAT 4.13	COE413	1,095,601	284,504	259,975	0	0	24,528	0	1186
-- COE CAT 4.2	COE42	170,424	119,200	0	0	92,087	27,113	0	1186
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1186
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1186
- CABLE & WIRE FACILITIES	CWF	3,533,378	993,407	808,986	0	28,918	155,503	0	1186
-- C&WF CAT 1.1	CWF11	96,999	0	0	0	0	0	0	1186
-- C&WF CAT 1.2	CWF12	76,327	76,327	0	0	0	76,327	0	1186
-- C&WF CAT 1.3	CWF13	3,235,942	808,986	808,986	0	0	0	0	1186
-- C&WF CAT 2	CWF2	71,118	70,895	0	0	0	70,895	0	1186
-- C&WF CAT 3	CWF3	52,992	37,199	0	0	28,918	8,281	0	1186
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1186
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1186
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1186
TELCOM PLANT-OTHER	PLTOTH	81,030	38,468	12,250	20,206	1,387	4,625	0	1186
ACCUM DEPRECIATION	ACCDEP	4,916,272	2,466,687	689,708	1,451,229	74,320	251,429	0	1186
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1186
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1186
NETWORK SUPPORT EXP	NETSPX	2,080	987	314	519	36	119	0	1186
GENERAL SUPPORT EXP	GSFX	154,859	73,518	23,411	38,617	2,650	8,839	0	1186
COE EXPENSE	COEX	432,875	289,204	54,935	162,385	19,459	52,426	0	1186
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1186
C&WF EXPENSE	CWFX	218,194	61,345	49,957	0	1,786	9,603	0	1186
OTHER PROP & PL EXP	OTHPX	5,418	2,572	819	1,351	93	309	0	1186
NETWORK OPERATIONS EXP	NETOPX	41,032	19,479	6,203	10,232	702	2,342	0	1186
DEPREC & AMORT EXP	DEPAMX	436,902	228,397	57,612	137,972	7,859	24,953	0	1186
MARKETING EXPENSE	MRKTX	4,924	1,943	619	1,021	70	234	0	1186
SERVICES EXPENSE	SERVX	216,985	88,282	19,502	38,661	2,653	6,019	21,447	1186
- CABSX EXPENSE	CABSX	56,328	28,164	0	21,706	1,490	4,968	0	1186
EXEC & PLANNING EXP	EXEPLX	192,633	97,150	28,915	45,204	4,908	14,287	3,835	1186
GENERAL & ADMIN EXP	GENADX	443,541	245,250	72,995	114,116	12,391	36,066	9,682	1186
OTHER TAXES (EXCL FIT & ITC)	OTAXES	50,544	23,995	7,641	12,604	865	2,885	0	1186
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1186
NON-OPERATING INC & EXP	NONOPX	7,832	4,251	1,354	2,233	153	511	0	1186
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1186

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	652,782	166,394	103,197	37,081	6,642	19,474	0	1187
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1187
- GENERAL SUPPORT FACILITIES	GSF	8,921,567	2,529,119	1,568,561	563,618	100,951	295,990	0	1187
- CENTRAL OFFICE EQUIPMENT	COE	38,558,539	12,555,838	2,926,116	6,491,903	1,198,672	1,939,147	0	1187
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1187
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1187
-- COE CAT 3	COE3	21,108,654	6,108,239	0	6,108,239	0	0	0	1187
-- COE CAT 4.11	COE411	1,106,006	985,549	0	0	0	985,549	0	1187
-- COE CAT 4.12	COE412	330,886	0	0	0	0	0	0	1187
-- COE CAT 4.13	COE413	12,406,572	3,083,218	2,926,116	0	0	157,101	0	1187
-- COE CAT 4.2	COE42	3,066,763	1,995,168	0	0	1,198,672	796,496	0	1187
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1187
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1187
- CABLE & WIRE FACILITIES	CWF	70,275,602	17,913,205	16,208,750	0	32,823	1,671,632	0	1187
-- C&WF CAT 1.1	CWF11	3,018,972	0	0	0	0	0	0	1187
-- C&WF CAT 1.2	CWF12	870,238	870,238	0	0	0	870,238	0	1187
-- C&WF CAT 1.3	CWF13	64,835,001	16,208,750	16,208,750	0	0	0	0	1187
-- C&WF CAT 2	CWF2	1,426,565	753,348	0	0	0	753,348	0	1187
-- C&WF CAT 3	CWF3	124,826	80,869	0	0	32,823	48,046	0	1187
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1187
- TANGIBLES	TANGIB	3,342,757	947,617	587,713	211,178	37,824	110,902	0	1187
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1187
TELCOM PLANT-OTHER	PLTOTH	691,759	196,102	121,623	43,702	7,827	22,950	0	1187
ACCUM DEPRECIATION	ACCDEP	81,083,196	22,885,238	14,364,423	5,036,783	860,823	2,623,209	0	1187
ACCUM AMORTIZATION	ACCAMO	2,539,639	719,946	446,511	160,441	28,737	84,257	0	1187
NET DEFERRED FIT	NTDFIT	3,243,412	1,035,854	284,236	563,920	67,084	120,614	0	1187
NETWORK SUPPORT EXP	NETSPX	108,440	30,741	19,066	6,851	1,227	3,598	0	1187
GENERAL SUPPORT EXP	GSFX	4,375,729	1,240,448	769,327	276,435	49,513	145,173	0	1187
COE EXPENSE	COEX	1,605,037	538,619	99,788	331,825	40,878	66,130	0	1187
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1187
C&WF EXPENSE	CWFX	1,526,821	389,186	352,154	0	713	36,318	0	1187
OTHER PROP & PL EXP	OTHPPX	1,649	467	290	104	19	55	0	1187
NETWORK OPERATIONS EXP	NETOPX	1,630,471	462,212	286,664	103,005	18,449	54,094	0	1187
DEPREC & AMORT EXP	DEPAMX	8,960,186	2,606,758	1,328,965	905,599	100,655	271,540	0	1187
MARKETING EXPENSE	MRKTX	549,923	160,644	99,631	35,800	6,412	18,801	0	1187
SERVICES EXPENSE	SERVX	2,340,330	401,582	114,851	112,738	11,333	62,089	100,571	1187
- CABSX EXPENSE	CABSX	127,994	63,997	0	37,551	6,726	19,720	0	1187
EXEC & PLANNING EXP	EXEPLX	693,005	182,126	106,469	44,244	6,562	19,717	5,134	1187
GENERAL & ADMIN EXP	GENADX	3,415,735	897,676	524,774	218,076	32,342	97,182	25,304	1187
OTHER TAXES (EXCL FIT & ITC)	OTAXES	1,189,469	340,197	214,597	70,615	14,097	40,888	0	1187
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1187
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1187
INTEREST & RELATED ITEMS(IRI)	INTREL	1,402,267	396,159	245,698	88,285	15,813	46,364	0	1187

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	287,941	81,580	32,955	34,925	3,995	9,705	0	1188
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1188
- GENERAL SUPPORT FACILITIES	GSF	3,841,873	1,624,632	656,278	695,527	79,552	193,276	0	1188
- CENTRAL OFFICE EQUIPMENT	COE	10,394,202	7,090,437	702,537	5,377,857	458,374	551,668	0	1188
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1188
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1188
-- COE CAT 3	COE3	6,326,891	5,377,857	0	5,377,857	0	0	0	1188
-- COE CAT 4.11	COE411	373,924	373,924	0	0	0	373,924	0	1188
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1188
-- COE CAT 4.13	COE413	3,019,880	803,421	702,537	0	0	100,884	0	1188
-- COE CAT 4.2	COE42	673,507	535,234	0	0	458,374	76,861	0	1188
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1188
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1188
- CABLE & WIRE FACILITIES	CWF	19,311,407	5,471,324	4,371,846	0	156,724	942,754	0	1188
-- C&WF CAT 1.1	CWF11	677,357	0	0	0	0	0	0	1188
-- C&WF CAT 1.2	CWF12	627,795	627,795	0	0	0	627,795	0	1188
-- C&WF CAT 1.3	CWF13	17,487,385	4,371,846	4,371,846	0	0	0	0	1188
-- C&WF CAT 2	CWF2	287,158	287,158	0	0	0	287,158	0	1188
-- C&WF CAT 3	CWF3	231,712	184,526	0	0	156,724	27,801	0	1188
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1188
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1188
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1188
TELCOM PLANT-OTHER	PLTOTH	141,956	60,030	24,249	25,699	2,939	7,141	0	1188
ACCUM DEPRECIATION	ACCDEP	19,843,034	9,309,138	3,022,847	4,975,979	394,309	916,003	0	1188
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1188
NET DEFERRED FIT	NTDFIT	1,111,107	469,859	189,802	201,153	23,007	55,897	0	1188
NETWORK SUPPORT EXP	NETSPX	19,992	8,454	3,415	3,619	414	1,006	0	1188
GENERAL SUPPORT EXP	GSFX	1,902,675	804,594	325,019	344,457	39,398	95,719	0	1188
COE EXPENSE	COEX	1,654,975	1,128,946	48,072	1,011,761	31,365	37,749	0	1188
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1188
C&WF EXPENSE	CWFX	1,417,129	401,502	320,819	0	11,501	69,182	0	1188
OTHER PROP & PL EXP	OTHPX	377	159	64	68	8	19	0	1188
NETWORK OPERATIONS EXP	NETOPX	931,800	394,035	159,172	168,692	19,294	46,877	0	1188
DEPREC & AMORT EXP	DEPAMX	2,207,618	1,107,383	307,818	637,056	55,268	107,240	0	1188
MARKETING EXPENSE	MRKTX	154,589	3,169	1,280	1,357	155	377	0	1188
SERVICES EXPENSE	SERVX	733,818	114,287	57,485	46,876	5,362	4,564	0	1188
- CABSX EXPENSE	CABSX	44,193	22,097	0	15,871	1,815	4,410	0	1188
EXEC & PLANNING EXP	EXEPLX	280,101	116,908	39,264	63,115	4,303	10,226	0	1188
GENERAL & ADMIN EXP	GENADX	2,118,215	884,095	296,926	477,294	32,538	77,336	0	1188
OTHER TAXES (EXCL FIT & ITC)	OTAXES	233,946	86,664	45,771	22,648	5,141	13,104	0	1188
INVESTMENT TAX CREDITS (ITC)	ITC	40,556	17,150	6,928	7,342	840	2,040	0	1188
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1188
INTEREST & RELATED ITEMS(IRI)	INTREL	263,739	92,517	51,911	20,083	5,743	14,780	0	1188

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	126,089	36,350	11,148	21,207	1,367	2,628	0	1189
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1189
- GENERAL SUPPORT FACILITIES	GSF	1,315,043	615,236	188,678	358,934	23,136	44,487	0	1189
- CENTRAL OFFICE EQUIPMENT	COE	4,176,340	2,946,081	158,176	2,648,176	86,998	52,731	0	1189
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1189
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1189
-- COE CAT 3	COE3	3,331,165	2,648,176	0	2,648,176	0	0	0	1189
-- COE CAT 4.11	COE411	10,240	10,240	0	0	0	10,240	0	1189
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1189
-- COE CAT 4.13	COE413	679,962	181,737	158,176	0	0	23,561	0	1189
-- COE CAT 4.2	COE42	154,973	105,928	0	0	86,998	18,930	0	1189
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1189
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1189
- CABLE & WIRE FACILITIES	CWF	5,525,909	1,593,064	1,233,872	0	83,701	275,491	0	1189
-- C&WF CAT 1.1	CWF11	184,866	0	0	0	0	0	0	1189
-- C&WF CAT 1.2	CWF12	183,791	183,791	0	0	0	183,791	0	1189
-- C&WF CAT 1.3	CWF13	4,935,488	1,233,872	1,233,872	0	0	0	0	1189
-- C&WF CAT 2	CWF2	79,764	79,764	0	0	0	79,764	0	1189
-- C&WF CAT 3	CWF3	142,000	95,637	0	0	83,701	11,936	0	1189
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1189
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1189
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1189
TELCOM PLANT-OTHER	PLTOTH	8,588	4,018	1,232	2,344	151	291	0	1189
ACCUM DEPRECIATION	ACCDEP	5,629,387	2,560,399	839,940	1,421,025	101,688	197,746	0	1189
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1189
NET DEFERRED FIT	NTDFIT	876,160	409,907	125,709	239,143	15,415	29,640	0	1189
NETWORK SUPPORT EXP	NETSPX	7,450	3,485	1,069	2,033	131	252	0	1189
GENERAL SUPPORT EXP	GSFX	676,912	316,690	97,121	184,759	11,909	22,900	0	1189
COE EXPENSE	COEX	760,443	536,433	14,653	508,836	8,059	4,885	0	1189
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1189
C&WF EXPENSE	CWFX	675,455	194,727	150,821	0	10,231	33,674	0	1189
OTHER PROP & PL EXP	OTHPPX	74	35	11	20	1	3	0	1189
NETWORK OPERATIONS EXP	NETOPX	251,414	117,623	36,072	68,622	4,423	8,505	0	1189
DEPREC & AMORT EXP	DEPAMX	724,385	355,690	96,572	224,560	11,797	22,760	0	1189
MARKETING EXPENSE	MRKTX	68,825	1,268	389	740	48	92	0	1189
SERVICES EXPENSE	SERVX	369,600	52,475	33,257	16,909	1,090	1,219	0	1189
- CABSX EXPENSE	CABSX	22,771	11,386	0	9,581	618	1,187	0	1189
EXEC & PLANNING EXP	EXEPLX	130,054	55,217	16,093	34,398	1,579	3,147	0	1189
GENERAL & ADMIN EXP	GENADX	1,013,409	430,264	125,402	268,038	12,304	24,520	0	1189
OTHER TAXES (EXCL FIT & ITC)	OTAXES	84,412	40,531	11,665	24,663	1,449	2,755	0	1189
INVESTMENT TAX CREDITS (ITC)	ITC	20,066	9,388	2,879	5,477	353	679	0	1189
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1189
INTEREST & RELATED ITEMS(IRI)	INTREL	110,734	53,601	15,149	32,984	1,889	3,579	0	1189

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COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	198,490	57,991	19,242	22,657	7,663	8,430	0	1190
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1190
- GENERAL SUPPORT FACILITIES	GSF	8,551,100	3,867,871	1,283,414	1,511,138	511,082	562,238	0	1190
- CENTRAL OFFICE EQUIPMENT	COE	11,770,723	7,635,402	801,389	4,630,226	834,279	1,369,507	0	1190
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1190
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1190
-- COE CAT 3	COE3	5,797,610	4,630,226	0	4,630,226	0	0	0	1190
-- COE CAT 4.11	COE411	1,231,547	1,231,547	0	0	0	1,231,547	0	1190
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1190
-- COE CAT 4.13	COE413	3,304,193	838,278	801,389	0	0	36,888	0	1190
-- COE CAT 4.2	COE42	1,244,366	833,221	0	0	732,149	101,072	0	1190
-- COE CAT 4.3	COE43	193,007	102,130	0	0	102,130	0	0	1190
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1190
- CABLE & WIRE FACILITIES	CWF	14,430,411	4,216,010	3,131,075	0	731,709	353,226	0	1190
-- C&WF CAT 1.1	CWF11	241,254	0	0	0	0	0	0	1190
-- C&WF CAT 1.2	CWF12	144,126	144,126	0	0	0	144,126	0	1190
-- C&WF CAT 1.3	CWF13	12,524,300	3,131,075	3,131,075	0	0	0	0	1190
-- C&WF CAT 2	CWF2	171,216	171,216	0	0	0	171,216	0	1190
-- C&WF CAT 3	CWF3	379,445	256,281	0	0	218,396	37,885	0	1190
-- C&WF CAT 4	CWF4	970,071	513,313	0	0	513,313	0	0	1190
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1190
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1190
TELCOM PLANT-OTHER	PLTOTH	209,509	94,766	25,413	42,760	11,914	14,679	0	1190
ACCUM DEPRECIATION	ACCDEP	16,452,363	7,555,696	2,422,038	3,019,529	994,259	1,119,869	0	1190
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1190
NET DEFERRED FIT	NTDFIT	1,799,716	821,383	267,074	325,267	108,265	120,776	0	1190
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1190
GENERAL SUPPORT EXP	GSFX	480,851	217,501	72,170	84,975	28,739	31,616	0	1190
COE EXPENSE	COEX	1,613,265	1,046,488	138,110	528,583	143,778	236,018	0	1190
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1190
C&WF EXPENSE	CWFX	802,395	234,429	174,102	0	40,686	19,641	0	1190
OTHER PROP & PL EXP	OTHPX	458	207	69	81	27	30	0	1190
NETWORK OPERATIONS EXP	NETOPX	1,119,159	506,223	167,972	197,776	66,890	73,585	0	1190
DEPREC & AMORT EXP	DEPAMX	2,690,611	1,374,117	338,270	646,675	170,406	218,766	0	1190
MARKETING EXPENSE	MRKTX	56,592	11,319	3,756	4,422	1,496	1,645	0	1190
SERVICES EXPENSE	SERVX	571,088	166,123	48,638	4,882	1,651	1,631	109,321	1190
- CABSX EXPENSE	CABSX	14,990	7,495	0	4,382	1,482	1,631	0	1190
EXEC & PLANNING EXP	EXEPLX	0	0	0	0	0	0	0	1190
GENERAL & ADMIN EXP	GENADX	1,979,225	934,139	284,885	337,790	116,587	149,883	44,994	1190
OTHER TAXES (EXCL FIT & ITC)	OTAXES	385,021	173,582	59,114	66,628	23,004	24,836	0	1190
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1190
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1190
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1190

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	200,754	54,559	13,436	31,337	86	9,700	0	1191
RTB STOCK	RTBSTK	86,150	45,175	11,125	25,947	71	8,032	0	1191
- GENERAL SUPPORT FACILITIES	GSF	5,443,450	2,854,395	702,951	1,639,468	4,485	507,490	0	1191
- CENTRAL OFFICE EQUIPMENT	COE	6,646,234	5,275,908	160,009	4,136,924	11,317	967,659	0	1191
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1191
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1191
-- COE CAT 3	COE3	4,986,949	4,136,924	0	4,136,924	0	0	0	1191
-- COE CAT 4.11	COE411	943,525	943,525	0	0	0	943,525	0	1191
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1191
-- COE CAT 4.13	COE413	693,260	181,365	160,009	0	0	21,357	0	1191
-- COE CAT 4.2	COE42	22,500	14,094	0	0	11,317	2,777	0	1191
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1191
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1191
- CABLE & WIRE FACILITIES	CWF	7,089,399	1,926,679	1,613,771	0	0	312,908	0	1191
-- C&WF CAT 1.1	CWF11	321,408	0	0	0	0	0	0	1191
-- C&WF CAT 1.2	CWF12	215,394	215,394	0	0	0	215,394	0	1191
-- C&WF CAT 1.3	CWF13	6,455,083	1,613,771	1,613,771	0	0	0	0	1191
-- C&WF CAT 2	CWF2	97,514	97,514	0	0	0	97,514	0	1191
-- C&WF CAT 3	CWF3	0	0	0	0	0	0	0	1191
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1191
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1191
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1191
TELCOM PLANT-OTHER	PLTOTH	1,495,854	784,385	193,170	450,524	1,232	139,458	0	1191
ACCUM DEPRECIATION	ACCDEP	9,444,508	5,141,610	1,129,227	3,340,064	5,412	666,907	0	1191
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1191
NET DEFERRED FIT	NTDFIT	0	0	0	0	0	0	0	1191
NETWORK SUPPORT EXP	NETSPX	3,182	1,669	411	958	3	297	0	1191
GENERAL SUPPORT EXP	GSFX	164,626	86,325	21,259	49,582	136	15,348	0	1191
COE EXPENSE	COEX	772,992	613,616	31,239	391,248	2,209	188,919	0	1191
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1191
C&WF EXPENSE	CWFX	852,479	231,677	194,051	0	0	37,626	0	1191
OTHER PROP & PL EXP	OTHPX	7,726	4,051	998	2,327	6	720	0	1191
NETWORK OPERATIONS EXP	NETOPX	364,374	191,068	47,054	109,743	300	33,970	0	1191
DEPREC & AMORT EXP	DEPAMX	1,143,391	635,167	133,325	394,056	978	106,808	0	1191
MARKETING EXPENSE	MRKTX	50,113	6,264	1,543	3,598	10	1,114	0	1191
SERVICES EXPENSE	SERVX	462,796	152,814	23,654	32,314	69	3,896	92,880	1191
- CABSX EXPENSE	CABSX	33,037	16,519	0	12,588	34	3,896	0	1191
EXEC & PLANNING EXP	EXEPLX	300,284	143,430	38,925	63,719	295	30,456	10,035	1191
GENERAL & ADMIN EXP	GENADX	1,048,090	500,620	135,862	222,401	1,031	106,301	35,025	1191
OTHER TAXES (EXCL FIT & ITC)	OTAXES	0	0	0	0	0	0	0	1191
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1191
NON-OPERATING INC & EXP	NONOPX	14,420	6,888	1,696	3,956	11	1,225	0	1191
INTEREST & RELATED ITEMS(IRI)	INTREL	0	0	0	0	0	0	0	1191

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	0	0	0	0	0	0	0	1192
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1192
- GENERAL SUPPORT FACILITIES	GSF	1,094,659	582,049	144,354	397,871	11,903	27,922	0	1192
- CENTRAL OFFICE EQUIPMENT	COE	1,268,290	898,649	75,322	808,168	1,347	13,811	0	1192
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1192
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1192
-- COE CAT 3	COE3	950,786	808,168	0	808,168	0	0	0	1192
-- COE CAT 4.11	COE411	5,885	5,885	0	0	0	5,885	0	1192
-- COE CAT 4.12	COE412	0	0	0	0	0	0	0	1192
-- COE CAT 4.13	COE413	308,962	82,995	75,322	0	0	7,673	0	1192
-- COE CAT 4.2	COE42	2,657	1,600	0	0	1,347	253	0	1192
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1192
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1192
- CABLE & WIRE FACILITIES	CWF	955,216	283,628	217,893	0	22,830	42,904	0	1192
-- C&WF CAT 1.1	CWF11	0	0	0	0	0	0	0	1192
-- C&WF CAT 1.2	CWF12	22,196	22,196	0	0	0	22,196	0	1192
-- C&WF CAT 1.3	CWF13	871,574	217,893	217,893	0	0	0	0	1192
-- C&WF CAT 2	CWF2	17,839	17,839	0	0	0	17,839	0	1192
-- C&WF CAT 3	CWF3	43,607	25,699	0	0	22,830	2,869	0	1192
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1192
- TANGIBLES	TANGIB	0	0	0	0	0	0	0	1192
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1192
TELCOM PLANT-OTHER	PLTOTH	72,190	38,385	9,520	26,239	785	1,841	0	1192
ACCUM DEPRECIATION	ACCDEP	2,210,512	1,229,868	268,569	885,212	23,870	52,217	0	1192
ACCUM AMORTIZATION	ACCAMO	0	0	0	0	0	0	0	1192
NET DEFERRED FIT	NTDFIT	89,918	47,811	11,858	32,682	978	2,294	0	1192
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1192
GENERAL SUPPORT EXP	GSFX	117,955	62,719	15,555	42,873	1,283	3,009	0	1192
COE EXPENSE	COEX	264,637	187,509	13,380	171,436	239	2,453	0	1192
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1192
C&WF EXPENSE	CWFX	48,403	14,372	11,041	0	1,157	2,174	0	1192
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1192
NETWORK OPERATIONS EXP	NETOPX	25,468	13,542	3,358	9,257	277	650	0	1192
DEPREC & AMORT EXP	DEPAMX	194,791	120,915	18,561	97,566	1,242	3,545	0	1192
MARKETING EXPENSE	MRKTX	0	0	0	0	0	0	0	1192
SERVICES EXPENSE	SERVX	31,512	8,724	1,020	3,642	109	256	3,698	1192
- CABSX EXPENSE	CABSX	8,035	4,018	0	3,652	109	256	0	1192
EXEC & PLANNING EXP	EXEPLX	42,648	25,835	3,995	20,462	276	769	333	1192
GENERAL & ADMIN EXP	GENADX	285,872	173,172	26,776	137,158	1,850	5,156	2,232	1192
OTHER TAXES (EXCL FIT & ITC)	OTAXES	18,419	9,094	2,853	5,486	207	547	0	1192
INVESTMENT TAX CREDITS (ITC)	ITC	2,317	1,232	306	842	25	59	0	1192
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1192
INTEREST & RELATED ITEMS(IRI)	INTREL	944	455	143	273	10	28	0	1192

APPENDIX B1

2006 MODIFICATION OF AVERAGE SCHEDULES

COST COMPANY COST DATA

2003 COST STUDIES REFLECTING 2006/2007 SEPARATIONS/ALLOCATION RULES

<u>NAME</u>	<u>PART</u>	<u>TOTAL COMPANY</u>	<u>TOTAL INTERSTATE</u>	<u>COMMON LINE</u>	<u>CENTRAL OFFICE</u>	<u>TRANSPORT</u>	<u>SPECIAL ACCESS</u>	<u>NON- ACCESS</u>	<u>SEQ</u>
MATERIALS AND SUPPLIES	MATSUP	38,064	10,600	4,911	4,629	56	1,004	0	1193
RTB STOCK	RTBSTK	0	0	0	0	0	0	0	1193
- GENERAL SUPPORT FACILITIES	GSF	393,431	153,323	71,038	66,955	814	14,516	0	1193
- CENTRAL OFFICE EQUIPMENT	COE	1,200,697	570,097	169,490	360,649	3,139	36,819	0	1193
-- COE CAT 1	COE1	0	0	0	0	0	0	0	1193
-- COE CAT 2	COE2	0	0	0	0	0	0	0	1193
-- COE CAT 3	COE3	424,293	360,649	0	360,649	0	0	0	1193
-- COE CAT 4.11	COE411	36,819	36,819	0	0	0	36,819	0	1193
-- COE CAT 4.12	COE412	37,660	0	0	0	0	0	0	1193
-- COE CAT 4.13	COE413	693,913	169,490	169,490	0	0	0	0	1193
-- COE CAT 4.2	COE42	8,012	3,139	0	0	3,139	0	0	1193
-- COE CAT 4.3	COE43	0	0	0	0	0	0	0	1193
- INFORMATION ORIG/TERM	IOT	0	0	0	0	0	0	0	1193
- CABLE & WIRE FACILITIES	CWF	918,498	255,771	213,154	0	1,246	41,371	0	1193
-- C&WF CAT 1.1	CWF11	20,062	0	0	0	0	0	0	1193
-- C&WF CAT 1.2	CWF12	0	0	0	0	0	0	0	1193
-- C&WF CAT 1.3	CWF13	852,617	213,154	213,154	0	0	0	0	1193
-- C&WF CAT 2	CWF2	42,742	41,371	0	0	0	41,371	0	1193
-- C&WF CAT 3	CWF3	3,077	1,246	0	0	1,246	0	0	1193
-- C&WF CAT 4	CWF4	0	0	0	0	0	0	0	1193
- TANGIBLES	TANGIB	7,107	2,773	1,285	1,211	15	263	0	1193
- INTANGIBLES	INTANG	0	0	0	0	0	0	0	1193
TELCOM PLANT-OTHER	PLTOTH	2,954	1,151	533	503	6	109	0	1193
ACCUM DEPRECIATION	ACCDEP	1,162,882	463,585	202,850	215,537	2,828	42,370	0	1193
ACCUM AMORTIZATION	ACCAMO	711	277	128	121	1	26	0	1193
NET DEFERRED FIT	NTDFIT	219,561	73,400	44,763	19,139	455	9,042	0	1193
NETWORK SUPPORT EXP	NETSPX	0	0	0	0	0	0	0	1193
GENERAL SUPPORT EXP	GSFX	38,974	15,189	7,037	6,633	81	1,438	0	1193
COE EXPENSE	COEX	126,585	60,103	36,061	15,541	668	7,834	0	1193
IOT EXPENSE	IOTX	0	0	0	0	0	0	0	1193
C&WF EXPENSE	CWFX	59,040	16,441	13,701	0	80	2,659	0	1193
OTHER PROP & PL EXP	OTHPX	0	0	0	0	0	0	0	1193
NETWORK OPERATIONS EXP	NETOPX	116,632	45,452	21,059	19,849	241	4,303	0	1193
DEPREC & AMORT EXP	DEPAMX	192,814	73,848	34,958	31,176	461	7,254	0	1193
MARKETING EXPENSE	MRKTX	1	0	0	0	0	0	0	1193
SERVICES EXPENSE	SERVX	31,209	11,753	1,072	7,084	86	1,536	1,975	1193
- CABSX EXPENSE	CABSX	17,225	8,613	0	7,008	85	1,519	0	1193
EXEC & PLANNING EXP	EXEPLX	93,612	37,547	19,898	12,380	291	4,480	498	1193
GENERAL & ADMIN EXP	GENADX	308,018	148,194	78,536	48,861	1,150	17,681	1,965	1193
OTHER TAXES (EXCL FIT & ITC)	OTAXES	25,817	10,463	4,864	4,567	50	983	0	1193
INVESTMENT TAX CREDITS (ITC)	ITC	0	0	0	0	0	0	0	1193
NON-OPERATING INC & EXP	NONOPX	0	0	0	0	0	0	0	1193
INTEREST & RELATED ITEMS(IRI)	INTREL	10,416	4,064	1,883	1,775	22	385	0	1193

APPENDIX C1
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Land & Support Facilities</u>	<u>Central Office Equipment</u>	<u>Cable & Wire Facilities</u>	<u>Tangible Assets</u>	<u>Intangible Assets</u>	<u>Materials & Supplies</u>
120042	44,868	429,303	87,147	0	0	0
150125	1,915,452	4,968,891	6,368,671	0	0	264,738
170171	884,664	1,202,691	1,269,449	0	0	105,309
170197	316,218	1,367,512	1,169,887	0	0	31,391
170210	603,852	2,252,082	1,961,449	0	0	25,566
190250	10,411,102	22,215,145	34,221,275	0	0	963,328
190253	767,755	5,096,335	3,272,120	0	2,395,033	26,730
220375	2,048,400	7,483,893	13,168,263	127,693	188,233	51,311
230491	21,065,879	124,395,818	133,024,273	0	5,884,326	960,198
230495	652,433	3,245,291	6,082,278	0	0	176,508
230496	1,959,363	9,089,903	15,437,078	0	2,400	370,613
230511	9,139,867	19,893,437	36,500,761	114,531	0	1,305,915
240516	6,361,029	23,883,802	21,835,698	509,040	0	1,097,213
240546	2,863,863	9,835,342	20,770,393	0	0	205,861
250312	2,796,581	2,762,783	3,895,466	0	0	487,351
260398	14,979,620	24,605,092	18,996,973	0	0	1,820,148
260414	5,908,099	19,841,978	31,614,045	0	2,434	196,804
260419	4,775,333	6,574,447	8,514,216	0	4,153	147,814
270428	386,166	1,611,159	479,715	0	1,543	44,954
300604	658,030	1,936,573	1,861,927	0	902,618	23,232
320750	862,846	1,744,325	1,834,036	0	0	2,208
320771	180,253	934,504	1,004,605	0	0	0
320809	907,617	1,818,350	2,807,965	61,895	30,577	18,703
320830	1,791,783	4,969,291	5,777,035	0	189,151	47,137
330842	1,139,058	4,359,218	7,515,384	0	0	96,331
330850	499,704	2,834,751	5,155,775	0	0	14,261
330851	362,496	2,104,113	3,051,899	0	76,421	11,180
330875	40,800	834,889	1,527,584	0	820	0
330879	630,912	2,546,996	3,429,844	0	0	49,578
330881	10,448,053	23,059,127	36,028,095	0	0	160,138
330925	697,154	2,638,577	3,718,630	0	0	28,083
330944	1,375,830	9,725,211	8,264,808	0	0	8,682
330945	604,708	2,577,517	4,038,526	0	0	11,507
330971	3,545,181	9,640,006	11,807,038	0	0	293,735
340990	36,680	457,705	242,200	0	0	27,100
341017	677,346	903,568	1,129,562	0	0	49,300
341046	49,770	474,302	212,595	0	0	0
341054	2,785,298	5,525,779	11,677,705	0	0	43,203
351101	504,621	1,141,759	1,294,768	0	0	11,957
351115	832,834	2,220,040	3,344,598	0	0	12,774
351141	362,168	432,494	465,191	0	0	0
351147	1,248,843	1,228,578	1,505,632	0	0	46,314
351157	304,074	250,815	1,438,553	0	2,190	13,025
351162	489,082	962,202	2,444,905	0	526	11,421
351169	362,860	748,820	1,028,465	0	619	4,554
351173	2,050,278	4,407,631	6,435,368	0	476	38,386
351203	578,246	910,123	1,248,539	0	0	43,754
351205	2,476,093	2,119,307	1,890,719	0	743	183,196

APPENDIX C1
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Rural Telephone Bank Stock</u>	<u>Other Telephone Plant</u>	<u>Other Non-Current Assets</u>	<u>Cash Working Capital</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Amortization</u>
120042	0	0	0	6,358	301,226	0
150125	0	0	0	131,020	9,134,030	0
170171	0	0	0	28,525	1,381,574	0
170197	0	0	0	23,182	1,808,388	0
170210	0	0	0	22,749	2,854,099	0
190250	795,642	1,757,722	0	400,323	28,199,396	0
190253	0	3,144	0	52,854	2,661,000	0
220375	49,300	232,800	0	142,590	12,434,401	24,071
230491	0	0	0	1,563,009	158,157,842	4,717,969
230495	211,286	288	0	84,920	5,537,128	0
230496	0	44,477	0	119,136	17,352,678	0
230511	0	1,252,117	0	387,374	25,014,560	1,909
240516	0	265,170	0	573,020	29,048,019	509,040
240546	139,700	1,768,246	0	169,800	18,543,917	0
250312	0	190,670	0	84,434	2,117,763	0
260398	867,395	196,967	0	397,535	39,659,952	0
260414	117,750	8,029,487	0	276,375	26,899,064	2,434
260419	362,600	55,163	0	141,503	11,960,199	0
270428	0	0	0	53,879	1,969,031	19
300604	0	102,682	0	31,604	1,932,740	697,500
320750	0	182,753	0	24,491	1,947,304	0
320771	0	148,300	0	12,561	821,764	0
320809	11,850	2,653	0	47,201	2,287,570	3,439
320830	100,423	18,162	0	83,585	5,875,691	0
330842	0	50,151	0	76,936	9,635,358	0
330850	0	10,463	0	39,425	4,812,255	0
330851	5,900	42,311	0	34,925	3,268,678	0
330875	39,350	736	0	15,792	1,380,646	0
330879	0	82,074	0	37,904	4,749,213	0
330881	0	1,074,739	0	513,030	36,609,800	0
330925	5,000	145,929	0	49,483	4,159,712	0
330944	0	641,227	0	97,903	12,083,381	0
330945	56,829	2,006	0	57,426	3,933,388	0
330971	354,000	626,331	0	181,048	12,572,338	0
340990	0	0	0	5,434	513,223	0
341017	0	648,601	0	27,269	1,664,157	0
341046	0	0	0	6,407	442,517	0
341054	0	2,805,101	0	124,205	11,765,625	0
351101	0	0	0	16,789	1,945,413	0
351115	0	222,739	0	50,904	2,260,697	0
351141	0	0	0	17,362	844,940	0
351147	0	0	0	29,582	1,513,631	0
351157	0	0	0	14,901	813,897	0
351162	0	0	0	25,846	2,219,333	214
351169	0	126,519	0	14,147	1,448,964	0
351173	238,216	0	0	69,520	4,096,756	0
351203	0	0	0	17,169	1,170,871	0
351205	0	0	0	54,799	2,708,389	261

APPENDIX C1
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Net Deferred</u> <u>Operating</u> <u>Income Tax</u>	<u>Network</u> <u>Operations</u> <u>Expense</u>	<u>General</u> <u>Support</u> <u>Expense</u>	<u>Central Office</u> <u>Equipment</u> <u>Expense</u>	<u>Cable & Wire</u> <u>Facilities Expense</u>	<u>Other</u> <u>Property &</u> <u>Plant Expense</u>
120042	0	0	0	59,592	0	0
150125	454,790	637	228,104	217,949	271,056	57,041
170171	0	27,474	59,376	78,161	80,963	0
170197	218,843	0	21,313	53,663	80,157	0
170210	271,530	0	20,434	80,994	95,971	2,603
190250	4,738,900	44,082	900,716	499,732	466,635	6,869
190253	799,076	4,356	37,179	88,961	146,271	0
220375	838,619	6,309	64,982	92,930	555,423	1
230491	8,803,455	4,480	2,622,921	4,276,859	6,768,709	0
230495	683,579	-19,361	38,774	145,887	235,047	0
230496	0	10,123	149,525	451,579	389,870	0
230511	0	0	485,168	1,354,394	1,557,724	0
240516	3,462,602	0	1,266,518	530,084	657,091	69,968
240546	0	16,159	139,056	685,188	727,550	407
250312	1,093,017	0	179,941	148,459	354,963	0
260398	119,178	41,472	976,436	953,870	815,747	1,625
260414	0	8,843	313,010	904,386	1,625,568	0
260419	990,000	4,571	188,510	321,962	363,021	0
270428	0	54,867	30,363	4,973	69,591	0
300604	38,353	0	35,311	75,646	45,549	4,492
320750	1,347,500	1	40,852	53,321	38,992	0
320771	256,995	0	6,283	34,646	30,419	0
320809	529,410	5,491	17,860	73,865	86,111	0
320830	1,384,794	9,907	95,231	139,002	181,779	0
330842	0	0	63,724	221,697	305,932	0
330850	325,856	0	16,908	65,414	180,564	0
330851	246,878	3,481	13,531	42,593	64,423	0
330875	70,143	0	34,435	18,364	43,703	0
330879	0	0	25,992	90,665	120,027	0
330881	4,594,079	52,530	403,873	908,603	637,499	0
330925	150,015	1,286	24,577	151,515	156,631	0
330944	8,005,237	5	231,500	159,215	376,267	0
330945	340,050	1,127	64,410	101,563	104,784	0
330971	0	20,959	397,912	483,246	388,152	5,229
340990	0	0	7,661	6,389	40,430	0
341017	0	1,058	10,293	20,860	128,833	0
341046	0	0	2,536	43,011	41,794	0
341054	0	1,904	140,999	392,224	409,235	20,010
351101	43,698	0	28,988	24,798	49,262	0
351115	378,802	0	62,812	89,813	165,692	0
351141	56,191	5,206	11,040	56,663	49,833	0
351147	56,520	0	34,470	58,215	93,063	7,387
351157	0	2,145	3,664	99,251	20,232	0
351162	0	601	22,579	61,033	91,555	0
351169	12,664	0	5,537	66,277	50,059	0
351173	0	68	35,612	78,791	89,961	0
351203	-120	2,318	44,397	29,139	76,796	0
351205	38,972	405	67,086	82,486	199,775	52

APPENDIX C1
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2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Network Support Expense</u>	<u>Depreciation & Amortization Expense</u>	<u>Marketing Expense</u>	<u>Services Expense</u>	<u>Executive & Planning Expense</u>	<u>General Administrative Expense</u>
120042	0	30,403	0	13,174	42,595	17,169
150125	256,511	817,062	13,657	688,403	512,108	350,067
170171	17,777	99,712	150	107,982	12,394	156,889
170197	10,415	154,295	0	114,647	35,116	138,516
170210	38,295	186,256	0	37,976	56,310	120,531
190250	1,181,953	3,565,103	93,529	1,795,625	516,343	1,010,094
190253	97,249	389,514	121,373	305,554	45,435	237,984
220375	308,818	1,415,317	269,235	713,323	100,082	739,714
230491	4,013,714	18,411,573	1,365,055	9,433,564	1,568,030	3,805,210
230495	81,739	560,973	77,700	395,590	157,907	517,571
230496	131,418	1,810,431	59,455	600,429	255,657	582,191
230511	1,666,465	6,537,103	93,466	2,060,198	440,981	966,002
240516	895,915	3,015,750	328,226	1,573,232	287,982	1,590,792
240546	360,992	1,952,009	122,239	245,655	251,262	1,425,845
250312	37,541	733,239	3,353	273,827	0	431,210
260398	599,000	3,958,196	120	1,640,638	699,454	1,757,127
260414	412,276	3,548,983	200,862	1,072,271	440,981	465,476
260419	120,635	1,209,121	16,398	489,811	466,585	742,785
270428	21,698	153,299	767	46,511	133,258	881,546
300604	23,570	187,897	12,110	160,469	137,571	164,389
320750	48,628	269,662	18,820	136,803	7,893	125,639
320771	6,035	105,812	0	39,356	69,450	86,246
320809	85,409	435,832	67,848	188,812	82,431	207,400
320830	155,146	595,172	109,452	415,753	120,371	412,798
330842	21,011	661,387	7,800	344,880	277,359	252,232
330850	19,587	593,192	30	315,907	51,296	41,187
330851	80,245	325,724	65,374	177,522	18,637	189,341
330875	15,721	168,629	5,586	119,376	17,082	49,399
330879	13,149	459,843	0	238,448	105,091	170,610
330881	791,591	4,937,956	337,954	4,032,429	1,018,742	1,605,822
330925	37,165	519,195	14,771	360,046	44,319	190,666
330944	174,253	1,610,915	96,890	447,777	37,661	595,883
330945	98,931	508,464	162,587	265,129	78,619	269,408
330971	72,835	1,522,280	14,202	1,022,999	489,327	437,674
340990	0	41,161	0	15,280	16,398	20,465
341017	13,133	123,078	1,613	239,054	19,733	118,153
341046	3,429	34,898	0	17,665	6,061	40,466
341054	164,556	1,008,221	14,692	535,923	506,106	464,222
351101	4,768	199,130	981	81,207	50,415	74,776
351115	18,377	354,928	0	169,732	236,038	171,780
351141	39,664	108,282	1,074	58,349	44,834	97,550
351147	5,839	258,205	9,050	56,839	120,005	143,822
351157	6,931	89,796	0	45,790	39,830	66,655
351162	5,207	269,393	0	91,614	191,232	75,481
351169	3,004	117,882	1,248	58,010	14,657	50,932
351173	87,021	797,332	25,646	175,376	128,906	245,150
351203	7,805	162,741	0	69,172	96,086	63,253
351205	4,379	450,623	14,813	313,765	196,261	318,511

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2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Contributions</u>	<u>Interest & Related Items</u>	<u>Patronage Dividends</u>	<u>Interest on Customer Deposits</u>	<u>Other Long Term Liabilities</u>	<u>Federal Income Tax</u>
120042	0	0	0	0	0	16,086
150125	6,244	1,786	0	14	0	437,218
170171	0	57,630	0	449	0	94,594
170197	1,212	26,255	0	204	798	0
170210	1,235	34,196	0	266	0	222
190250	0	657,066	0	5,115	547,750	1,613,094
190253	2,679	62,848	0	489	12,157	82,023
220375	7,954	336,462	0	2,619	418,990	0
230491	57,824	183,039	0	1,425	15,858,519	1,602,093
230495	0	187,073	0	1,456	137,005	160,911
230496	0	259,136	2,607,446	2,017	1,690,580	0
230511	26,556	607,197	3,309,881	4,727	3,858,904	0
240516	19,756	5,673,991	0	44,167	931,956	0
240546	0	79,405	5,867,883	618	0	0
250312	4,148	0	0	0	0	417,965
260398	21,977	286,904	0	2,233	0	790,738
260414	16,427	511,268	3,141,657	3,980	0	376,246
260419	7,403	325,380	0	2,533	0	98,304
270428	2,505	0	0	0	0	33,388
300604	1,562	9	0	0	0	64,355
320750	1,510	5	0	0	27,155	0
320771	0	76	0	1	32,789	0
320809	2,365	38,832	0	302	20,566	194,814
320830	4,217	217,618	0	1,694	45,406	0
330842	4,223	63,639	0	495	36,533	57,895
330850	2,480	3,951	0	31	0	131,645
330851	1,873	88,068	0	686	11,986	17,710
330875	917	28,833	0	224	0	0
330879	2,394	0	0	0	0	14,545
330881	27,483	957,801	0	7,456	215,403	737,329
330925	0	166,893	0	1,299	0	0
330944	6,703	155,524	0	1,211	91,000	0
330945	3,132	46,331	0	361	8,350	70,327
330971	0	717,341	634,101	5,584	0	110,810
340990	0	0	0	0	0	15,123
341017	0	0	0	0	0	105,319
341046	334	0	96,490	0	0	0
341054	0	350,053	7,039,957	2,725	8,260,020	0
351101	0	0	0	0	0	45,702
351115	0	3,273	0	25	44,904	214,648
351141	917	0	0	0	0	6,947
351147	0	11,740	0	91	0	137,932
351157	713	44,781	428,787	349	0	0
351162	1,504	38,897	510,000	303	0	0
351169	0	33,141	0	258	0	33,713
351173	0	428,013	0	3,332	0	317,380
351203	1,010	0	176,248	0	0	3,253
351205	2,998	71,588	5,019,724	557	0	0

APPENDIX C1
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>State</u> <u>Income Tax</u>	<u>Other</u> <u>Operating</u> <u>Taxes</u>	<u>Allowance</u> <u>For Funds</u> <u>Used During</u> <u>Construction</u>	<u>Federal</u> <u>Investment</u> <u>Tax Credit</u>	<u>Provision</u> <u>For Deferred</u> <u>Operating</u> <u>Income Tax</u>	<u>State Income</u> <u>Tax</u> <u>Indicator</u>	<u>Federal</u> <u>Income</u> <u>Tax</u> <u>Indicator</u>
120042	6,050	6,050	0	41	0	N	N
150125	0	153,087	0	499	-130,614	N	N
170171	0	0	0	264	0	Y	N
170197	42,069	83,701	0	109	11,383	N	N
170210	26,847	65,533	0	218	45,892	N	N
190250	482,600	900,381	0	4,684	0	N	N
190253	27,093	55,677	0	723	138,678	N	N
220375	163,048	273,882	4,699	1,200	247,676	N	N
230491	1,081,391	2,376,276	0	11,746	2,146,112	N	N
230495	42,002	84,644	932	509	-27,043	N	N
230496	0	552	6,027	998	0	Y	Y
230511	0	0	184,754	4,995	0	Y	Y
240516	266,570	1,010,167	0	2,540	0	N	N
240546	0	75,256	0	2,164	0	N	N
250312	0	206,413	0	879	0	N	N
260398	676,508	1,105,201	0	2,754	0	N	N
260414	0	385,000	0	4,928	0	N	N
260419	216,486	301,780	0	950	40,000	N	N
270428	0	34,022	0	70	0	N	N
300604	0	45,311	0	243	33,281	N	N
320750	36,542	121,911	2,903	166	83,052	N	N
320771	12,882	33,000	0	147	56,525	N	N
320809	28,040	99,025	0	354	-40,609	N	N
320830	17,143	171,954	2,498	686	209,813	N	N
330842	165,802	254,987	0	443	18,971	N	N
330850	53,481	132,381	0	429	26,864	N	N
330851	44,919	87,968	0	260	22,415	N	N
330875	34,746	51,421	0	126	33,403	N	N
330879	98,305	143,554	0	256	35,099	N	N
330881	312,195	960,978	27,357	3,728	237,775	N	N
330925	48,880	54,025	513	371	58,625	N	N
330944	17,235	96,379	9,747	-21	574,241	N	N
330945	69,030	133,414	0	382	32,020	N	N
330971	0	215,850	21,632	1,739	0	N	N
340990	0	10,453	0	32	0	N	N
341017	0	5,282	0	222	0	N	N
341046	0	908	0	37	0	N	N
341054	0	19,306	0	357	0	N	N
351101	23,224	47,523	0	122	0	N	N
351115	40,879	105,965	0	501	0	N	N
351141	27,324	51,273	0	46	0	N	N
351147	7,871	41,068	0	312	0	N	N
351157	405	32,805	0	151	0	N	N
351162	0	50,202	0	214	0	N	N
351169	-4,363	26,710	603	103	0	N	N
351173	0	75,038	0	1,152	0	N	N
351203	-1,759	25,366	0	204	0	N	N
351205	-14,727	63,273	0	498	0	N	N

APPENDIX C1
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Land & Support Facilities</u>	<u>Central Office Equipment</u>	<u>Cable & Wire Facilities</u>	<u>Tangible Assets</u>	<u>Intangible Assets</u>	<u>Materials & Supplies</u>
351209	659,877	1,083,105	975,846	0	0	56,186
351213	356,338	944,052	1,930,558	0	0	0
351217	839,817	3,126,396	2,508,599	0	1,209	18,300
351225	2,265,191	1,544,693	3,014,084	0	0	14,030
351245	205,446	349,401	745,108	0	188	29,373
351248	1,050,655	1,616,354	1,826,472	0	606	17,832
351250	736,589	1,015,702	941,140	0	0	6,479
351275	149,089	538,331	192,501	0	0	1,849
351276	1,289,758	1,245,078	2,658,539	0	0	38,699
351283	180,848	814,767	611,654	0	0	10,399
351291	1,939,986	2,113,391	3,455,454	0	0	234,144
351294	330,870	806,426	1,548,345	0	169	15,641
351298	7,080,941	24,781,587	15,457,760	0	0	261,467
351308	254,162	423,111	738,504	0	0	5,128
351320	710,832	365,555	1,668,493	0	0	14,603
351335	80,019	1,499,683	335,645	0	1,178,472	0
351344	407,490	743,301	1,477,158	0	2,413	14,597
361362	1,761,070	9,465,162	9,600,562	185,592	154,885	49,672
361372	55,770	533,082	282,999	0	31	0
361384	40,410	248,706	362,120	0	0	0
361409	7,343,809	12,459,443	14,130,248	0	0	780,552
361423	143,880	372,854	2,049,510	0	0	0
361430	2,887,308	8,378,055	16,113,472	0	0	291,736
361500	70,722	39,502	47,776	0	0	0
361505	3,253,627	5,871,419	17,276,919	0	0	352,747
361507	514,562	1,031,759	2,140,898	0	364	23,362
361508	676,893	860,126	1,360,172	0	0	0
371556	1,304,773	815,279	2,155,030	0	147,896	96,493
371562	88,009	612,932	1,770,239	0	0	61,271
371565	228,100	903,458	1,253,197	0	48	13,879
381623	82,348	389,617	301,126	0	0	0
381625	4,335,650	9,368,005	17,682,047	0	0	194,334
383303	17,010,742	40,399,580	49,038,267	0	1,070,434	811,020
391650	5,076,615	15,314,747	9,574,717	0	0	348,723
391650	5,076,615	15,314,747	9,574,717	0	0	348,723
391669	1,825,175	6,015,638	4,725,722	0	0	85,179
391669	1,825,175	6,015,638	4,725,722	0	0	85,179
391671	1,035,515	2,781,923	4,173,216	0	862	0
431704	370,322	1,204,272	1,873,071	0	0	124
442038	584,897	1,237,782	1,019,945	0	0	0
442043	267,502	746,595	936,136	31,200	139,355	30,175
532386	951,472	2,285,664	1,409,853	0	0	10,506
532399	4,607,926	9,249,362	10,779,411	62,763	0	275,211

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<u>Study Area Code</u>	<u>Rural Telephone Bank Stock</u>	<u>Other Telephone Plant</u>	<u>Other Non-Current Assets</u>	<u>Cash Working Capital</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Amortization</u>
351209	37,537	0	0	36,245	1,390,633	0
351213	0	60,854	0	38,410	1,000,690	0
351217	0	2,742,144	0	32,386	4,015,829	323
351225	70,000	400,097	0	39,109	3,586,209	0
351245	0	0	0	12,479	787,007	108
351248	0	6,308	0	21,243	3,215,366	0
351250	0	0	0	21,426	1,493,240	0
351275	0	0	0	5,864	715,074	0
351276	0	8,428	0	32,895	2,951,541	0
351283	0	0	0	17,567	662,259	0
351291	0	373,104	0	71,503	3,920,216	0
351294	0	0	0	16,290	510,125	0
351298	3,127,473	4,527,799	0	216,373	24,931,113	93,507
351308	0	0	0	9,664	736,667	0
351320	0	0	0	22,220	966,264	0
351335	0	0	0	10,277	409,124	281,660
351344	0	21,140	0	22,714	1,609,863	495
361362	199,275	520,503	0	176,546	10,474,228	75,224
361372	0	0	0	6,497	670,004	0
361384	0	0	0	6,327	405,049	0
361409	0	105,341	0	247,519	17,313,683	0
361423	0	0	0	16,298	1,090,695	0
361430	49,700	7,486	0	205,227	13,994,374	0
361500	0	0	0	3,648	109,792	0
361505	8,430	0	0	216,832	17,991,502	0
361507	0	58,732	0	34,429	1,881,259	0
361508	54,350	0	0	30,743	1,996,418	0
371556	40,992	12,513	0	53,499	2,188,415	147,896
371562	0	1,671	0	48,483	246,958	0
371565	1,000	0	0	27,918	1,947,930	0
381623	0	0	0	9,792	641,409	0
381625	28,750	182,286	0	125,304	17,810,815	0
383303	1,000	281,640	0	719,113	75,372,399	503,344
391650	0	220	0	202,048	18,087,054	0
391650	0	220	0	202,048	18,087,054	0
391669	0	459,099	0	74,555	7,209,028	0
391669	0	459,099	0	74,555	7,209,028	0
391671	0	3,498	0	45,528	4,126,588	862
431704	0	11,998	0	25,729	2,233,636	1,626
442038	0	0	0	25,738	1,958,482	0
442043	52,000	0	0	23,860	712,870	150,408
532386	50,685	2,198	0	52,906	3,180,080	0
532399	174,308	265,175	0	139,986	10,884,002	62,763

APPENDIX C1
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Net Deferred</u> <u>Operating</u> <u>Income Tax</u>	<u>Network</u> <u>Operations</u> <u>Expense</u>	<u>General</u> <u>Support</u> <u>Expense</u>	<u>Central Office</u> <u>Equipment</u> <u>Expense</u>	<u>Cable & Wire</u> <u>Facilities Expense</u>	<u>Other</u> <u>Property &</u> <u>Plant Expense</u>
351209	164,413	7,928	27,391	55,619	110,391	0
351213	178,759	13,059	15,347	80,596	100,888	3,064
351217	0	367	15,164	88,389	60,988	2,359
351225	0	2,400	40,171	132,565	95,811	111
351245	22,414	0	17,870	23,120	28,522	0
351248	70,797	447	16,981	45,382	27,556	0
351250	110,563	1,078	15,625	86,553	37,530	0
351275	5,066	0	8,800	16,321	8,613	0
351276	58,986	0	31,331	103,932	75,782	0
351283	100,751	4,452	14,297	13,484	64,284	0
351291	510,926	6,978	55,036	61,067	212,144	0
351294	146,564	0	12,714	42,560	35,305	0
351298	0	13,549	189,725	693,367	637,459	38
351308	32,356	240	6,886	2,337	18,057	0
351320	0	841	38,439	55,252	23,762	0
351335	112,990	3,085	5,215	1,436	27,368	965
351344	0	792	25,966	53,531	62,390	23,180
361362	1,387,825	28,539	104,991	265,443	219,968	0
361372	0	318	628	1,874	2,972	0
361384	0	0	3,155	2,744	22,154	0
361409	1,267,889	30,807	399,664	377,121	674,039	0
361423	0	0	10,083	53,535	85,343	6,289
361430	1,000,482	0	129,738	368,742	563,767	24,289
361500	0	2,428	8,390	16,549	14,718	0
361505	0	0	587,674	276,972	433,358	0
361507	220,042	1,681	14,421	96,274	57,316	0
361508	59,028	60	53,988	104,695	84,021	0
371556	347,356	0	35,144	112,580	95,213	0
371562	47,014	12,464	33,354	44,709	199,355	52
371565	0	0	10,378	48,766	51,800	0
381623	0	0	4,522	27,425	113,168	0
381625	28	36,436	167,448	184,872	158,535	4,092
383303	0	23,224	1,117,379	1,970,396	1,859,162	0
391650	0	23,535	304,554	436,842	1,034,354	69,830
391650	0	23,535	304,554	436,842	1,034,354	69,830
391669	5,059	-1,945	37,829	128,433	329,766	0
391669	5,059	-1,945	37,829	128,433	329,766	0
391671	0	0	73,637	338,323	120,161	0
431704	0	0	16,283	11,540	64,014	0
442038	0	56,148	0	35,379	82,283	0
442043	133,620	14,526	12,045	35,653	79,910	0
532386	0	373	23,684	149,522	103,743	4,989
532399	543,844	0	229,739	352,463	342,868	0

APPENDIX C1
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2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Network Support Expense</u>	<u>Depreciation & Amortization Expense</u>	<u>Marketing Expense</u>	<u>Services Expense</u>	<u>Executive & Planning Expense</u>	<u>General Administrative Expense</u>
351209	8,901	262,062	0	103,658	304,535	130,434
351213	0	228,341	134,607	56,917	95,874	69,941
351217	21,510	325,758	9,471	104,181	179,505	71,382
351225	20,553	423,740	0	134,419	101,456	146,835
351245	3,747	86,914	3,574	65,623	49,564	60,548
351248	17,161	112,585	0	55,779	168,287	72,352
351250	6,749	198,020	7,578	91,447	75,197	83,791
351275	4,843	61,740	0	40,826	3,325	42,587
351276	9,835	334,213	2,781	198,617	56,216	104,347
351283	10,725	104,766	2,033	86,012	68,786	81,113
351291	47,340	535,498	151,049	8,589	412,827	379,788
351294	4,096	150,105	3,064	31,921	31,456	82,236
351298	198,769	3,799,002	321,418	733,592	237,543	481,833
351308	7,737	74,932	1,134	40,177	45,308	50,415
351320	26,234	159,129	3,217	73,806	132,766	92,530
351335	1,432	98,873	2,630	57,880	17,970	46,440
351344	9,183	162,883	20,223	77,444	62,908	94,189
361362	448,965	1,602,126	619,374	710,758	152,812	802,951
361372	2,245	62,337	2,580	11,577	101,954	16,330
361384	6,351	40,343	8,848	21,477	24,372	46,045
361409	223,809	2,257,230	117,273	1,280,298	921,001	709,898
361423	4,204	132,334	0	52,525	25,000	48,044
361430	295,016	1,764,783	101,825	599,438	858,211	814,183
361500	1,993	9,611	0	11,715	14,316	15,341
361505	585,360	1,951,602	16,384	1,098,859	468,422	981,762
361507	56,358	286,080	58,464	179,476	25,630	179,324
361508	14,310	168,887	0	95,477	195,007	111,618
371556	193,418	240,126	7,025	127,461	93,439	438,738
371562	191,310	422,310	22,347	115,231	110,551	279,035
371565	7,836	83,858	0	47,224	329,330	136,522
381623	1,869	54,334	648	62,430	0	15,203
381625	451,637	1,820,212	198	461,860	360,470	582,613
383303	2,584,078	7,343,089	312,939	2,553,687	1,370,197	2,993,100
391650	234,587	2,139,220	237,510	899,503	211,846	872,782
391650	234,587	2,139,220	237,510	899,503	211,846	872,782
391669	68,534	998,141	27,874	189,542	182,618	315,828
391669	68,534	998,141	27,874	189,542	182,618	315,828
391671	26,273	459,449	7,196	158,418	38,911	173,621
431704	62,983	247,322	0	71,981	116,774	170,128
442038	19,445	241,424	173	48,788	138,967	134,877
442043	15,202	66,864	0	88,719	221,519	63,620
532386	36,511	320,848	73,892	327,247	171,562	229,597
532399	370,752	1,485,993	120,208	485,598	267,832	877,119

APPENDIX C1
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Contributions</u>	<u>Interest & Related Items</u>	<u>Patronage Dividends</u>	<u>Interest on Customer Deposits</u>	<u>Other Long Term Liabilities</u>	<u>Federal Income Tax</u>
351209	0	7,753	0	60	21,986	50,496
351213	0	100,472	0	782	0	48,961
351217	1,590	112,110	298,189	873	0	92,970
351225	0	150,936	845,580	1,175	0	0
351245	637	0	0	0	0	26,741
351248	1,005	277	0	2	0	55,362
351250	1,104	54,140	0	421	0	34,385
351275	0	6,892	0	54	0	7,939
351276	1,728	44,306	0	345	0	102,930
351283	0	0	0	0	0	43,207
351291	3,359	194,122	0	1,511	0	138,241
351294	747	3,342	0	26	0	116,332
351298	13,226	1,458,041	2,488,970	11,350	0	0
351308	0	437	0	3	0	29,343
351320	0	58,775	109,802	458	0	17,505
351335	0	0	0	0	0	57,526
351344	0	0	0	0	0	30,160
361362	9,219	281,235	0	2,189	10,334	350,507
361372	0	10,109	0	79	0	6,744
361384	0	18	0	0	0	11,483
361409	0	158,589	0	1,234	0	707,086
361423	0	41,169	0	320	0	66,928
361430	9,950	802,827	0	6,249	0	271,982
361500	0	0	0	0	0	2,911
361505	11,629	377,019	0	2,935	0	208,581
361507	1,783	9,091	0	71	-6,708	96,316
361508	1,451	73,415	0	571	0	14,806
371556	0	143,147	0	1,114	82,700	0
371562	0	52	0	0	0	135,236
371565	1,254	40,197	0	313	0	6,081
381623	0	0	0	0	0	7,951
381625	7,455	506,920	857,682	3,946	106,103	102,955
383303	39,888	1,760,062	9,436,481	13,701	2,645,749	0
391650	0	585,045	0	4,554	0	0
391650	0	585,045	0	4,554	0	0
391669	0	322,143	181,464	2,508	0	88,010
391669	0	322,143	181,464	2,508	0	88,010
391671	2,737	1,054	5,442,164	8	0	0
431704	1,399	1,327	0	10	0	73,224
442038	1,426	118	0	1	0	53,322
442043	1,080	0	0	0	0	30,303
532386	2,607	58,425	0	455	0	60,942
532399	8,345	35,896	1,086,287	279	367,342	88,808

APPENDIX C1
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>State</u> <u>Income Tax</u>	<u>Other</u> <u>Operating</u> <u>Taxes</u>	<u>Allowance</u> <u>For Funds</u> <u>Used During</u> <u>Construction</u>	<u>Federal</u> <u>Investment</u> <u>Tax Credit</u>	<u>Provision</u> <u>For Deferred</u> <u>Operating</u> <u>Income Tax</u>	<u>State Income</u> <u>Tax</u> <u>Indicator</u>	<u>Federal</u> <u>Income</u> <u>Tax</u> <u>Indicator</u>
351209	37,016	74,632	0	157	0	N	N
351213	50,177	213,859	0	274	0	N	N
351217	2,297	28,123	0	663	0	N	N
351225	1,883	65,580	59,159	473	0	N	N
351245	8,626	24,279	0	66	0	N	N
351248	35,000	57,175	0	156	0	N	N
351250	4,915	26,724	0	139	0	N	N
351275	-3,512	2,481	0	21	0	N	N
351276	14,602	69,727	0	283	0	N	N
351283	15,597	38,957	0	109	0	N	N
351291	-13,465	46,582	24,171	468	0	N	N
351294	9,887	33,085	0	260	0	N	N
351298	0	235,986	48,554	3,837	0	N	N
351308	18,169	32,989	0	83	0	N	N
351320	0	16,872	0	228	0	N	N
351335	17,814	27,985	0	141	0	N	N
351344	62,106	92,596	0	134	0	N	N
361362	264,179	306,952	0	1,249	-32,751	N	N
361372	0	657	0	26	0	N	N
361384	6,263	7,291	0	31	0	N	N
361409	349,114	420,059	0	2,062	0	N	N
361423	0	2,964	0	187	0	N	N
361430	119,896	155,961	0	1,617	0	N	N
361500	0	392	0	6	0	N	N
361505	228,551	234,548	0	1,125	0	N	N
361507	58,975	63,140	0	213	-20,699	N	N
361508	0	0	0	114	0	N	N
371556	19,279	54,325	0	211	20,753	N	N
371562	0	35,778	0	284	0	Y	N
371565	0	0	836	57	0	Y	N
381623	0	5,049	0	17	0	N	N
381625	0	25,321	0	1,762	0	N	N
383303	0	639,097	297,667	3,686	0	N	N
391650	0	0	0	1,553	0	N	Y
391650	0	0	0	1,553	0	N	Y
391669	0	116,460	5,812	749	0	N	N
391669	0	116,460	5,812	749	0	N	N
391671	0	167,235	2,524	491	0	N	N
431704	0	37,659	0	156	0	Y	N
442038	0	56,666	0	112	0	N	N
442043	0	17,338	0	135	22,169	N	N
532386	0	46,251	0	194	0	Y	N
532399	233,043	233,043	0	1,722	0	N	N

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>Land & Support Facilities</u>	<u>Central Office Equipment</u>	<u>Cable & Wire Facilities</u>	<u>Tangible Assets</u>	<u>Intangible Assets</u>	<u>Materials & Supplies</u>
120042	44,868	448,416	87,147	0	0	0
150125	1,948,467	5,378,372	6,797,681	0	0	283,425
170171	1,078,684	1,229,880	1,394,312	0	0	27,781
170197	302,961	1,566,374	1,180,860	0	0	26,815
170210	626,072	2,420,771	2,009,971	0	0	28,607
190250	10,436,632	23,722,606	35,249,229	0	0	1,023,058
190253	773,059	5,131,825	3,374,134	0	2,424,184	28,534
220375	2,067,824	8,821,518	13,900,567	177,310	172,791	43,774
230491	21,583,762	134,505,909	137,719,996	0	7,121,310	1,478,565
230495	729,104	3,646,703	6,202,233	0	0	75,662
230496	2,054,846	10,089,645	16,062,463	0	2,400	116,848
230511	9,390,925	21,700,731	37,488,152	114,531	0	1,305,596
240516	6,606,405	25,179,231	23,309,738	509,040	0	600,300
240546	3,101,401	10,162,019	21,581,460	0	0	303,356
250312	2,917,751	2,900,417	4,618,103	0	0	485,518
260398	14,961,634	24,809,623	19,465,669	0	0	2,097,430
260414	6,392,759	21,483,471	32,457,907	0	2,434	213,938
260419	5,211,271	7,511,952	8,781,873	0	4,153	161,764
270428	456,701	1,637,096	567,246	0	1,543	30,148
300604	655,450	2,031,597	2,026,619	0	902,618	23,438
320750	731,629	1,858,843	1,889,254	0	0	1,380
320771	443,303	977,570	1,169,357	0	0	0
320809	897,899	1,788,085	2,861,095	61,895	36,609	20,527
320830	1,808,819	4,982,881	5,931,002	0	185,719	42,015
330842	1,213,895	4,437,573	7,792,590	0	0	86,752
330850	580,915	3,063,039	5,311,781	0	0	6,568
330851	385,924	2,063,749	3,181,249	0	37,758	9,440
330875	40,970	919,112	1,572,902	0	13,440	2,253
330879	656,641	2,715,988	3,604,885	0	0	66,857
330881	8,306,773	25,638,856	37,761,234	15,587	399,456	101,582
330925	1,151,966	2,730,008	3,835,084	0	0	16,895
330944	1,237,480	10,299,144	9,232,233	0	0	629
330945	606,566	2,637,631	4,242,394	0	42,085	11,733
330971	3,959,856	10,625,986	12,603,921	0	0	275,341
340990	36,680	457,705	242,200	0	0	27,100
341017	712,124	1,328,415	1,588,126	0	0	41,496
341046	49,770	475,488	215,495	0	0	0
341054	2,826,708	6,055,147	12,005,832	0	0	45,178
351101	519,078	1,143,837	1,307,146	0	0	12,709
351115	863,517	2,381,125	3,355,554	0	0	12,637
351141	363,548	452,250	465,191	0	0	0
351147	1,268,609	1,247,953	1,574,739	0	0	46,314
351157	328,986	278,546	1,493,592	0	2,190	10,403
351162	488,047	978,124	2,541,858	0	526	14,635
351169	365,122	771,959	1,423,097	0	619	5,454
351173	2,038,792	4,497,401	6,486,353	0	476	17,433
351203	584,787	943,523	1,248,539	0	0	37,041
351205	2,376,490	2,283,523	2,068,330	0	743	120,235

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>Rural Telephone Bank Stock</u>	<u>Other Telephone Plant</u>	<u>Other Non-Current Assets</u>	<u>Cash Working Capital</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Amortization</u>
120042	0	0	0	6,379	332,393	0
150125	0	0	0	123,597	9,864,295	0
170171	0	0	0	30,679	1,675,502	0
170197	0	0	0	25,834	1,894,141	0
170210	0	0	0	23,948	3,002,055	0
190250	795,642	1,075,994	0	407,309	30,367,060	0
190253	0	51,472	0	58,450	2,980,386	0
220375	49,300	291,263	0	154,639	13,652,030	69,512
230491	0	0	0	1,550,488	174,219,956	5,355,827
230495	211,286	1,731	0	81,376	6,094,023	0
230496	0	56,351	0	115,610	18,937,504	0
230511	0	1,637,588	0	395,074	31,023,014	24,815
240516	0	513,483	0	576,990	32,771,809	509,040
240546	139,700	1,541,391	0	175,663	19,740,378	0
250312	0	91,346	0	97,944	2,897,763	0
260398	867,395	298,059	0	402,446	43,211,289	0
260414	117,750	11,592,355	0	266,896	30,742,470	2,434
260419	362,600	0	0	187,383	13,102,569	0
270428	0	0	0	55,651	2,146,622	19
300604	0	34,625	0	33,356	2,192,283	877,500
320750	0	60,268	0	31,173	2,010,720	0
320771	0	44,102	0	13,858	916,769	0
320809	11,850	0	0	42,192	2,438,589	23,556
320830	100,423	57,286	0	88,192	6,401,160	0
330842	0	0	0	84,442	10,338,873	0
330850	0	6,597	0	40,896	5,436,270	0
330851	5,900	42,021	0	39,816	3,561,535	0
330875	39,350	14,404	0	17,922	1,507,010	0
330879	0	0	0	43,148	5,221,913	0
330881	0	269,305	0	511,472	39,387,849	830
330925	5,000	41,574	0	50,057	4,606,160	0
330944	0	103,681	0	104,004	13,837,568	0
330945	56,829	44,755	0	48,462	4,352,849	0
330971	354,000	1,879,285	0	180,323	13,128,809	0
340990	0	0	0	5,472	548,601	0
341017	0	8,852	0	27,347	1,808,979	0
341046	0	0	0	5,119	477,182	0
341054	0	2,134,723	0	136,935	12,815,410	0
351101	0	118,407	0	19,178	2,145,258	0
351115	0	70,816	0	50,675	2,368,502	0
351141	0	0	0	18,467	949,280	0
351147	0	0	0	29,872	1,704,476	0
351157	0	0	0	15,337	879,155	0
351162	0	372,808	0	26,546	2,400,947	220
351169	0	7,769	0	15,831	1,542,678	0
351173	238,216	0	0	66,522	4,797,715	0
351203	0	0	0	21,705	1,338,465	0
351205	0	38,788	0	61,918	3,016,333	291

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>Net Deferred Operating Income Tax</u>	<u>Network Operations Expense</u>	<u>General Support Expense</u>	<u>Central Office Equipment Expense</u>	<u>Cable & Wire Facilities Expense</u>	<u>Other Property & Plant Expense</u>
120042	0	0	0	55,158	575	0
150125	549,937	208	263,653	332,430	188,883	59,431
170171	0	31,660	66,049	59,635	62,525	0
170197	211,798	0	28,263	70,374	78,982	0
170210	311,554	0	24,756	83,214	65,345	2,275
190250	5,428,100	38,778	910,968	546,825	549,931	29,970
190253	884,148	5,864	43,246	137,137	161,262	-1
220375	1,137,990	8,297	56,410	101,338	605,254	0
230491	11,079,099	5,796	2,247,025	4,265,301	6,460,777	0
230495	691,942	5,270	42,821	153,180	270,278	0
230496	0	9,579	132,560	399,738	453,965	0
230511	0	0	390,203	1,580,086	1,555,539	264
240516	2,841,479	0	1,423,783	571,805	567,625	55,345
240546	0	15,616	208,032	557,031	940,099	0
250312	1,301,977	0	217,529	155,961	360,923	0
260398	-887,378	39,876	943,952	984,194	848,781	0
260414	0	10,499	317,565	773,765	1,477,873	0
260419	960,000	3,904	265,408	394,316	304,677	0
270428	0	56,470	41,267	11,035	74,306	0
300604	89,645	1,233	66,227	65,266	42,251	5,493
320750	363,702	6	44,567	44,200	39,001	27
320771	359,846	129	15,804	36,667	26,749	0
320809	541,095	5,307	16,149	85,712	82,091	0
320830	1,386,868	10,429	93,757	143,916	157,479	0
330842	0	0	63,226	285,788	250,646	0
330850	360,365	0	27,329	94,407	176,111	0
330851	171,322	3,031	19,380	52,504	52,245	0
330875	85,804	0	32,960	22,982	46,353	0
330879	0	73	36,007	96,754	146,464	0
330881	5,296,007	62,872	256,954	595,055	814,955	0
330925	228,998	1,200	50,675	128,670	144,187	0
330944	2,097,720	0	236,899	82,492	256,847	23
330945	336,083	2,383	30,223	75,426	79,437	0
330971	0	31,315	315,307	485,377	531,828	3,196
340990	0	0	7,861	6,556	41,488	0
341017	0	836	11,259	17,346	150,045	0
341046	0	0	6,091	22,002	8,744	0
341054	0	6,067	140,556	319,711	462,509	18,099
351101	45,254	0	34,038	16,009	67,532	0
351115	530,451	0	61,797	159,859	148,674	0
351141	52,570	7,176	20,088	55,953	76,674	0
351147	213,801	0	45,960	55,224	97,699	8,270
351157	0	2,463	3,815	102,955	13,825	0
351162	0	8,678	22,573	54,550	98,660	0
351169	0	0	3,997	52,163	77,928	0
351173	0	922	22,690	68,475	117,609	0
351203	12,216	70	30,612	34,589	103,430	0
351205	0	867	114,065	66,779	130,825	0

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>Network Support Expense</u>	<u>Depreciation & Amortization Expense</u>	<u>Marketing Expense</u>	<u>Services Expense</u>	<u>Executive & Planning Expense</u>	<u>General Administrative Expense</u>
120042	0	31,167	0	4,327	37,540	37,384
150125	257,519	855,843	19,707	736,497	512,296	316,410
170171	18,091	299,220	100	190,066	12,015	159,865
170197	12,434	141,403	0	115,037	34,031	158,770
170210	28,539	189,357	235	29,833	57,871	167,740
190250	1,181,481	4,073,521	199,024	1,830,887	552,945	1,048,075
190253	132,815	354,032	123,753	307,788	33,525	194,821
220375	452,104	1,553,165	327,508	699,635	115,504	760,330
230491	4,936,146	18,402,399	2,032,568	8,886,721	1,801,402	3,234,580
230495	87,680	581,716	86,853	396,248	157,953	464,293
230496	144,781	1,853,402	75,109	648,504	255,610	487,753
230511	1,614,232	6,775,029	150,217	2,150,243	499,285	1,043,265
240516	943,174	4,145,218	172,378	1,608,986	318,451	1,627,046
240546	448,500	2,037,976	99,084	322,718	390,873	1,165,747
250312	46,045	794,200	3,058	265,736	0	665,964
260398	659,442	4,030,398	0	1,681,040	752,232	1,881,151
260414	490,183	4,046,266	186,271	1,023,769	399,096	512,589
260419	142,575	1,217,621	18,697	715,969	791,191	912,411
270428	81,283	177,591	1,035	40,289	132,058	842,718
300604	30,783	196,510	25,828	133,352	70,051	285,561
320750	63,262	257,126	12,216	141,280	9,918	61,215
320771	5,225	110,191	0	40,744	79,063	94,869
320809	108,849	395,340	68,334	166,095	84,806	160,068
320830	208,028	624,080	113,332	436,462	105,061	311,492
330842	46,095	703,515	6,690	385,495	282,979	333,642
330850	29,822	627,533	3,055	320,660	67,821	71,757
330851	91,436	395,130	62,788	150,104	43,368	146,295
330875	35,858	144,635	22,103	108,459	22,628	60,074
330879	16,782	479,239	0	237,259	116,076	168,443
330881	1,566,031	4,815,181	1,176,470	3,083,271	887,693	2,399,827
330925	40,466	494,296	15,394	338,294	46,122	195,649
330944	299,209	1,798,192	72,634	496,772	48,658	295,325
330945	113,979	422,862	85,355	226,459	57,809	206,394
330971	73,380	1,849,073	27,693	913,887	401,980	462,582
340990	0	42,238	0	15,680	16,827	21,001
341017	12,885	212,605	933	191,855	19,969	141,986
341046	3,910	34,665	0	23,729	4,266	54,906
341054	173,888	1,215,145	73,525	641,566	465,619	527,354
351101	8,601	217,267	3,782	125,448	43,538	88,908
351115	20,066	368,492	0	183,998	209,312	145,213
351141	45,508	119,164	617	62,778	53,813	72,045
351147	6,439	230,023	7,490	62,332	112,150	146,207
351157	6,974	92,831	0	48,321	40,552	76,224
351162	5,429	241,084	0	85,748	196,340	92,591
351169	3,198	125,634	1,222	54,859	18,864	58,658
351173	88,896	790,455	39,242	163,780	109,528	233,448
351203	7,908	170,390	0	77,731	100,810	79,626
351205	4,261	463,240	18,217	325,602	183,729	319,479

APPENDIX C2
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2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>Contributions</u>	<u>Interest & Related Items</u>	<u>Patronage Dividends</u>	<u>Interest on Customer Deposits</u>	<u>Other Long Term Liabilities</u>	<u>Federal Income Tax</u>
120042	0	0	0	0	0	19,894
150125	6,605	1,786	0	14	0	89,029
170171	0	47,193	0	367	0	98,682
170197	1,233	24,183	0	188	454	41,312
170210	1,279	40,172	0	313	0	1,234
190250	0	439,805	0	3,423	1,062,175	1,625,986
190253	2,755	62,051	0	483	27,566	140,251
220375	8,770	305,570	0	2,379	654,435	0
230491	57,824	116,859	0	910	14,255,693	1,199,376
230495	0	164,309	0	1,279	120,651	65,395
230496	0	197,666	2,692,197	1,539	1,482,337	0
230511	27,599	446,131	3,207,342	3,473	4,058,938	0
240516	21,883	5,685,425	0	44,256	1,193,709	0
240546	0	69,355	5,991,210	540	0	0
250312	4,842	0	0	0	0	411,403
260398	22,345	268,568	0	2,091	0	790,641
260414	16,876	529,806	3,442,611	4,124	0	367,642
260419	9,260	327,122	0	2,546	0	160,731
270428	2,633	0	0	0	0	28,042
300604	1,711	0	0	0	0	30,996
320750	1,433	0	0	0	34,100	196,027
320771	0	52	0	0	36,543	0
320809	2,282	37,440	0	291	49,487	80,833
320830	4,266	206,467	0	1,607	72,531	126,681
330842	4,657	62,326	0	485	16,606	36,187
330850	2,690	3,579	0	28	0	82,293
330851	0	85,400	0	665	12,394	150,979
330875	962	27,317	0	213	0	4,135
330879	2,546	0	0	0	0	75,021
330881	29,145	438,711	0	3,415	205,991	144,326
330925	0	157,620	0	1,227	0	0
330944	6,893	384,897	0	2,996	64,776	0
330945	2,529	48,370	0	377	20,065	109,191
330971	0	733,707	921,932	5,711	0	136,304
340990	0	0	0	0	0	12,987
341017	0	0	0	0	0	112,916
341046	279	0	97,241	0	0	0
341054	0	428,834	1,141,941	3,338	6,414,106	0
351101	0	0	0	0	0	51,278
351115	2,449	2,876	0	22	38,802	199,670
351141	987	0	0	0	0	4,962
351147	0	7,669	0	60	0	117,872
351157	740	42,980	373,551	335	0	0
351162	1,490	35,887	1,383,280	279	0	0
351169	0	32,012	0	249	0	49,554
351173	0	416,386	0	3,241	0	287,857
351203	1,107	0	37,976	0	0	66,356
351205	2,977	70,744	0	551	0	198,642

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>State</u> <u>Income Tax</u>	<u>Other</u> <u>Operating</u> <u>Taxes</u>	<u>Allowance</u> <u>For Funds</u> <u>Used During</u> <u>Construction</u>	<u>Federal</u> <u>Investment</u> <u>Tax Credit</u>	<u>Provision</u> <u>For Deferred</u> <u>Operating</u> <u>Income Tax</u>	<u>State Income</u> <u>Tax</u> <u>Indicator</u>	<u>Federal</u> <u>Income</u> <u>Tax</u> <u>Indicator</u>
120042	0	304	0	42	0	N	N
150125	0	229,141	0	507	98,251	N	N
170171	0	0	0	261	0	Y	N
170197	28,068	64,916	0	123	-7,046	N	N
170210	41,867	80,978	0	225	40,024	N	N
190250	515,300	933,255	0	4,502	0	N	N
190253	54,023	78,596	0	694	82,777	N	N
220375	211,667	326,927	355	1,249	298,358	N	N
230491	1,305,421	2,528,592	0	11,552	2,292,553	N	N
230495	40,107	82,931	1,157	503	41,779	N	N
230496	0	1,305	4,052	1,011	0	Y	Y
230511	0	0	175,853	4,639	0	Y	Y
240516	219,450	1,010,533	0	2,464	0	N	N
240546	0	54,699	0	2,171	0	N	N
250312	0	255,804	0	865	0	N	N
260398	525,567	938,291	0	2,562	0	N	N
260414	0	396,000	0	5,272	0	N	N
260419	353,476	519,083	0	1,012	-30,000	N	N
270428	8,987	45,591	0	69	0	N	N
300604	0	54,408	0	205	43,132	N	N
320750	53,715	145,355	1,195	271	-62,089	N	N
320771	12,344	37,734	0	168	102,315	N	N
320809	71,392	130,365	0	329	10,966	N	N
320830	126,109	230,652	0	643	-76	N	N
330842	212,193	300,789	0	403	5,022	N	N
330850	48,946	117,873	0	403	52,631	N	N
330851	69,116	110,408	0	247	-75,957	N	N
330875	32,532	52,884	0	127	15,463	N	N
330879	112,317	156,822	0	235	-15,563	N	N
330881	362,195	983,290	29,462	3,455	703,833	N	N
330925	71,145	95,170	2,997	374	59,524	N	N
330944	157,092	346,719	6,672	619	1,187,091	N	N
330945	86,542	143,480	0	367	-4,731	N	N
330971	0	212,770	50,709	2,104	0	N	N
340990	0	10,727	0	27	0	N	N
341017	0	5,165	0	237	0	N	N
341046	0	878	0	33	0	N	N
341054	0	19,942	50,589	487	0	N	N
351101	6,889	27,421	0	116	0	N	N
351115	46,362	101,118	0	476	0	N	N
351141	22,086	49,721	0	35	0	N	N
351147	22,296	59,219	0	282	0	N	N
351157	2,190	34,590	0	157	0	N	N
351162	0	44,956	0	253	0	N	N
351169	-2,460	26,391	5,998	131	0	N	N
351173	0	65,230	0	1,077	0	N	N
351203	2,871	26,837	0	186	0	N	N
351205	-5,597	72,403	0	492	0	N	N

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>Land & Support Facilities</u>	<u>Central Office Equipment</u>	<u>Cable & Wire Facilities</u>	<u>Tangible Assets</u>	<u>Intangible Assets</u>	<u>Materials & Supplies</u>
351209	672,897	1,127,932	1,017,498	0	0	51,672
351213	359,719	948,666	2,025,235	0	0	0
351217	794,758	3,143,170	4,814,805	0	1,209	18,075
351225	2,338,944	2,424,012	3,343,121	0	0	11,903
351245	205,557	415,005	759,318	0	188	29,235
351248	1,043,839	1,719,257	1,945,842	0	0	16,214
351250	785,584	1,024,400	963,920	0	0	4,516
351275	156,919	547,151	195,590	0	0	802
351276	1,292,292	1,406,641	2,733,848	0	0	29,096
351283	188,407	818,986	613,184	0	0	7,407
351291	1,995,530	2,181,041	3,907,668	0	0	168,848
351294	336,560	809,524	1,567,263	0	169	14,726
351298	16,653,883	24,822,765	16,243,511	0	0	306,494
351308	254,162	423,111	740,706	0	0	4,596
351320	717,003	368,911	1,679,132	0	0	13,836
351335	80,019	1,507,611	335,645	0	1,178,472	0
351344	395,881	763,474	1,479,589	0	2,413	11,234
361362	1,734,232	10,039,756	10,089,255	253,882	132,567	70,162
361372	63,422	533,600	283,981	0	31	0
361384	37,425	273,009	383,511	0	0	0
361409	7,379,670	12,146,196	14,483,699	0	0	570,105
361423	88,551	406,425	2,124,196	0	0	0
361430	4,771,590	8,702,056	16,780,123	0	0	150,666
361500	70,722	39,502	51,558	0	0	0
361505	3,404,239	5,798,818	17,644,997	0	0	458,392
361507	518,304	1,267,566	2,289,693	25,924	27,000	16,333
361508	680,593	964,323	1,577,466	0	0	0
371556	1,301,158	865,836	2,196,176	0	181,656	66,321
371562	141,164	646,671	1,814,546	0	0	61,271
371565	222,799	923,459	1,271,826	0	48	13,925
381623	82,348	389,617	301,126	0	0	0
381625	4,546,215	9,301,399	17,725,152	0	0	199,377
383303	16,812,160	41,198,167	50,287,121	0	1,176,372	730,913
391650	4,563,260	14,664,949	9,734,578	0	0	332,612
391650	4,563,260	14,664,949	9,734,578	0	0	332,612
391669	1,904,234	6,179,711	4,916,387	0	0	112,671
391669	1,904,234	6,179,711	4,916,387	0	0	112,671
391671	1,039,408	2,847,798	4,242,642	0	862	0
431704	373,130	1,296,845	1,898,869	0	0	124
442038	754,245	1,310,213	1,083,533	0	0	0
442043	267,502	746,595	942,015	31,200	139,355	28,892
532386	950,697	2,336,018	1,456,484	0	0	10,079
532399	4,862,820	9,664,123	11,153,350	0	0	203,211

APPENDIX C2
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<u>Study Area Code</u>	<u>Rural Telephone Bank Stock</u>	<u>Other Telephone Plant</u>	<u>Other Non-Current Assets</u>	<u>Cash Working Capital</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Amortization</u>
351209	37,537	0	0	36,320	1,555,914	0
351213	0	13,839	0	26,780	1,264,526	0
351217	0	871,365	0	34,943	4,344,371	323
351225	70,000	2,005	0	38,657	3,865,386	0
351245	0	0	0	13,464	863,306	117
351248	0	0	0	25,421	3,438,664	0
351250	0	0	0	28,533	1,697,660	0
351275	0	82,360	0	6,241	767,317	0
351276	0	75,966	0	34,090	3,072,669	0
351283	0	0	0	18,834	792,022	0
351291	0	50,421	0	67,012	4,427,860	0
351294	0	0	0	17,011	689,676	0
351298	3,894,820	2,390,050	0	265,327	28,244,304	159,512
351308	0	0	0	9,122	813,171	0
351320	0	0	0	23,704	1,114,783	0
351335	0	0	0	9,701	500,110	281,660
351344	0	70,510	0	23,527	1,746,807	495
361362	199,275	338,572	0	185,781	11,786,420	143,528
361372	0	0	0	4,608	737,120	0
361384	0	0	0	6,500	441,604	0
361409	0	0	0	270,392	18,406,634	0
361423	0	0	0	17,136	1,180,239	0
361430	49,700	28,703	0	217,835	15,292,305	0
361500	0	0	0	3,442	119,752	0
361505	8,430	0	0	217,645	19,661,209	0
361507	0	19,218	0	28,566	2,137,482	1,380
361508	54,350	0	0	29,367	2,165,809	0
371556	40,992	13,783	0	52,738	2,380,422	153,020
371562	0	18,020	0	51,778	421,703	0
371565	1,000	0	0	28,366	2,093,933	0
381623	0	0	0	7,842	698,662	0
381625	28,750	228,493	0	142,162	18,725,562	0
383303	1,000	509,914	0	701,914	80,126,287	810,867
391650	0	126,478	0	205,579	18,883,380	0
391650	0	126,478	0	205,579	18,883,380	0
391669	0	426,680	0	80,090	8,078,836	0
391669	0	426,680	0	80,090	8,078,836	0
391671	0	1,120	0	43,695	4,475,286	862
431704	0	14,168	0	27,306	2,475,787	1,626
442038	0	0	0	27,394	2,334,603	0
442043	52,000	0	0	25,165	766,901	151,188
532386	50,685	2,066	0	51,670	3,342,332	0
532399	174,308	275,393	0	136,134	12,131,270	0

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>Net Deferred Operating Income Tax</u>	<u>Network Operations Expense</u>	<u>General Support Expense</u>	<u>Central Office Equipment Expense</u>	<u>Cable & Wire Facilities Expense</u>	<u>Other Property & Plant Expense</u>
351209	168,763	11,580	31,298	57,813	99,451	0
351213	477,455	13,491	13,754	53,338	95,991	1,500
351217	0	452	7,101	102,617	71,857	2,091
351225	0	2,469	41,860	111,095	84,628	0
351245	30,076	0	14,668	24,971	36,851	0
351248	139,309	544	16,966	54,333	30,011	0
351250	119,112	-5	20,803	114,940	158,896	0
351275	10,444	0	7,660	21,503	11,241	0
351276	108,470	0	28,428	115,384	54,428	0
351283	114,933	2,249	15,471	4,434	62,280	0
351291	748,888	9,943	73,394	67,949	142,907	0
351294	188,391	0	16,359	38,045	55,728	0
351298	0	15,641	334,414	741,606	694,775	54
351308	25,742	255	3,197	521	19,083	0
351320	0	1,000	41,193	51,840	26,369	0
351335	160,141	851	12,297	1,878	28,208	2,203
351344	0	828	25,649	52,969	47,145	23,513
361362	1,303,667	41,600	106,805	382,753	153,958	0
361372	0	291	3,374	1,209	1,949	0
361384	0	0	3,094	2,862	33,246	0
361409	1,534,029	22,446	367,967	398,846	1,209,404	0
361423	0	0	9,594	58,363	85,736	7,225
361430	1,176,972	0	179,149	413,078	634,438	36,100
361500	0	2,568	2,395	12,348	12,819	0
361505	0	0	584,034	333,898	392,190	0
361507	262,736	1,942	6,686	91,145	52,693	-1
361508	141,214	0	59,083	100,419	89,968	0
371556	340,891	3,079	34,153	98,682	111,222	0
371562	33,880	14,300	41,389	42,678	227,522	345
371565	0	0	11,697	39,730	55,321	0
381623	0	0	15,421	44,098	60,114	0
381625	599	45,839	187,451	212,692	163,823	3,113
383303	0	21,868	1,221,453	2,098,876	2,096,360	0
391650	0	14,689	291,290	530,276	980,883	87,954
391650	0	14,689	291,290	530,276	980,883	87,954
391669	4,959	3,626	72,549	157,918	374,182	0
391669	4,959	3,626	72,549	157,918	374,182	0
391671	0	0	62,803	353,474	104,740	0
431704	0	0	15,097	9,151	109,787	0
442038	0	50,685	0	37,993	116,345	0
442043	141,451	10,638	15,829	19,816	99,758	0
532386	0	1,035	17,781	138,502	113,164	2,975
532399	682,058	0	190,946	243,525	317,293	0

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>Network Support Expense</u>	<u>Depreciation & Amortization Expense</u>	<u>Marketing Expense</u>	<u>Services Expense</u>	<u>Executive & Planning Expense</u>	<u>General Administrative Expense</u>
351209	9,761	267,675	0	110,064	302,081	128,616
351213	0	271,763	7,931	65,394	147,617	60,270
351217	28,669	395,903	2,847	107,197	138,869	78,855
351225	25,835	545,852	0	126,044	110,998	158,491
351245	4,185	95,679	2,732	77,546	67,179	49,911
351248	11,734	114,350	0	45,754	153,281	153,906
351250	7,573	205,620	6,860	88,029	108,867	99,348
351275	5,582	53,039	0	32,352	15,253	34,431
351276	9,060	329,020	3,166	178,523	79,523	141,900
351283	7,668	133,932	1,648	83,323	90,807	130,453
351291	45,577	556,504	157,468	7,300	492,434	263,391
351294	2,670	181,642	3,160	34,839	40,966	84,787
351298	202,530	4,074,090	395,570	767,624	237,482	600,525
351308	6,698	76,505	257	42,533	46,602	50,596
351320	17,649	165,194	4,417	76,385	145,830	83,894
351335	3,061	98,560	10,364	43,733	15,758	40,494
351344	9,340	164,824	15,640	90,591	68,467	103,148
361362	622,684	1,608,872	662,613	704,428	159,282	663,869
361372	2,790	67,116	65	15,676	61,965	11,376
361384	5,956	39,600	7,472	17,318	22,542	46,688
361409	338,129	2,120,806	133,301	1,376,385	1,004,466	526,316
361423	4,844	144,961	0	68,184	25,000	51,176
361430	308,358	1,849,697	93,933	591,883	792,309	982,896
361500	2,374	9,960	0	15,880	14,007	18,331
361505	613,324	1,795,082	24,735	1,096,363	487,547	1,002,243
361507	75,335	212,140	62,101	144,108	31,271	148,477
361508	14,555	175,598	0	108,381	143,784	98,597
371556	200,781	256,501	34,051	115,478	98,382	404,669
371562	195,206	436,116	23,019	113,781	121,711	306,440
371565	8,080	158,034	0	58,753	343,253	130,298
381623	4,388	57,253	567	43,670	0	13,344
381625	483,373	1,951,846	375	438,927	468,858	680,162
383303	2,797,491	6,249,429	315,120	2,594,936	1,097,885	2,917,833
391650	251,542	2,092,042	223,387	938,676	229,020	877,511
391650	251,542	2,092,042	223,387	938,676	229,020	877,511
391669	88,381	1,092,640	52,070	216,843	182,308	318,223
391669	88,381	1,092,640	52,070	216,843	182,308	318,223
391671	25,933	399,371	7,620	161,482	43,835	189,567
431704	79,171	242,151	0	69,822	111,989	166,393
442038	23,158	376,871	2,930	51,279	115,133	134,656
442043	18,581	69,023	0	98,155	221,722	61,036
532386	40,844	292,687	64,647	302,202	169,011	238,897
532399	332,295	1,540,496	136,343	482,781	308,842	853,181

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>Contributions</u>	<u>Interest & Related Items</u>	<u>Patronage Dividends</u>	<u>Interest on Customer Deposits</u>	<u>Other Long Term Liabilities</u>	<u>Federal Income Tax</u>
351209	0	1,727	0	13	22,297	43,997
351213	0	97,819	0	761	0	30,586
351217	1,700	119,440	185,000	930	0	154,965
351225	0	198,176	716,097	1,543	0	0
351245	692	0	0	0	0	28,120
351248	1,224	189	0	1	0	33,628
351250	1,446	26,318	0	205	0	47,676
351275	337	5,740	0	45	0	6,664
351276	1,770	40,637	0	316	0	106,571
351283	0	0	0	0	0	57,281
351291	3,286	178,704	0	1,391	0	108,482
351294	851	2,383	0	19	0	107,157
351298	14,645	1,493,315	1,630,825	11,624	0	549,976
351308	0	374	0	3	0	26,118
351320	0	42,717	18,469	333	0	67,535
351335	0	0	0	0	0	49,165
351344	0	0	0	0	0	25,200
361362	9,609	251,230	0	1,956	21,415	389,559
361372	0	8,723	0	68	0	3,991
361384	325	17	0	0	0	11,953
361409	0	151,607	0	1,180	0	606,782
361423	0	38,164	0	297	0	66,335
361430	10,530	723,500	0	5,632	0	411,607
361500	0	0	0	0	0	2,538
361505	11,524	341,662	0	2,660	0	167,178
361507	1,565	6,741	0	52	-945	6,721
361508	1,385	87,025	0	677	0	11,988
371556	0	138,834	0	1,081	89,316	0
371562	0	56	0	0	0	134,385
371565	0	42,719	0	333	0	0
381623	0	0	0	0	0	4,494
381625	8,170	554,954	574,537	4,320	108,320	188,541
383303	38,072	1,448,518	7,844,989	11,275	3,220,731	0
391650	0	571,386	0	4,448	0	0
391650	0	571,386	0	4,448	0	0
391669	0	323,485	259,788	2,518	20,119	17,542
391669	0	323,485	259,788	2,518	20,119	17,542
391671	2,558	835	5,239,452	6	0	0
431704	0	1,132	0	9	0	66,156
442038	1,741	196	0	2	0	49,008
442043	1,107	0	0	0	0	48,988
532386	2,517	51,487	0	401	0	60,656
532399	8,127	29,937	864,835	233	457,255	180,238

APPENDIX C2
2006 MODIFICATION OF AVERAGE SCHEDULES
2004 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2003

<u>Study Area Code</u>	<u>State Income Tax</u>	<u>Other Operating Taxes</u>	<u>Allowance</u>	<u>Federal Investment Tax Credit</u>	<u>Provision</u>	<u>State Income Tax Indicator</u>	<u>Federal</u>
			<u>For Funds Used During Construction</u>		<u>For Deferred Operating Income Tax</u>		<u>Income Tax Indicator</u>
351209	46,707	87,241	0	147	0	N	N
351213	30,116	62,992	0	209	0	N	N
351217	1,811	33,723	0	673	0	N	N
351225	1,442	58,259	20,697	549	0	N	N
351245	5,596	21,394	0	65	0	N	N
351248	66,000	118,080	0	146	0	N	N
351250	-7,022	14,667	0	122	0	N	N
351275	4,879	11,374	0	26	0	N	N
351276	25,719	71,288	0	299	0	N	N
351283	-25,524	2,588	0	92	0	N	N
351291	-6,765	58,509	22,780	397	0	N	N
351294	6,065	27,582	0	235	0	N	N
351298	0	287,631	118,937	4,560	0	N	N
351308	16,572	25,669	0	74	0	N	N
351320	0	17,436	0	211	0	N	N
351335	18,741	27,918	0	125	0	N	N
351344	62,353	109,877	0	124	0	N	N
361362	336,417	378,720	0	1,203	-87,207	N	N
361372	0	639	0	18	0	N	N
361384	6,081	6,985	0	32	0	N	N
361409	363,089	440,840	0	1,859	0	N	N
361423	0	1,878	0	183	0	N	N
361430	83,528	125,970	0	1,780	0	N	N
361500	0	494	0	5	0	N	N
361505	215,432	245,164	0	983	0	N	N
361507	65,083	67,606	0	221	38,643	N	N
361508	0	0	0	124	0	N	N
371556	13,944	42,680	0	193	25,499	N	N
371562	0	38,805	0	283	0	Y	N
371565	0	0	0	43	0	Y	N
381623	0	4,717	0	9	0	N	N
381625	0	25,151	0	1,676	0	N	N
383303	0	320,350	134,685	3,223	0	N	N
391650	0	0	0	1,338	0	N	Y
391650	0	0	0	1,338	0	N	Y
391669	0	132,208	6,300	690	0	N	N
391669	0	132,208	6,300	690	0	N	N
391671	0	111,881	608	464	0	N	N
431704	0	35,599	0	140	0	Y	N
442038	0	85,104	0	103	0	N	N
442043	0	17,237	0	128	7,746	N	N
532386	0	55,501	0	186	0	Y	N
532399	235,306	235,306	0	1,659	0	N	N

APPENDIX C3
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 OR 2004 SAMPLE HIGH TRAFFIC VOLUME COMPANY ACCOUNTING DATA
FOR 2001, 2002 OR 2003

<u>Study Area Code</u>	<u>Data Year</u>	<u>Land & Support Facilities</u>	<u>Central Office Equipment</u>	<u>Cable & Wire Facilities</u>	<u>Tangible Assets</u>	<u>Intangible Assets</u>	<u>Materials & Supplies</u>
100020	2002	1,202,625	5,369,369	5,270,199	0	0	3,126
120043	2001	823,152	1,631,986	1,876,567	0	0	46,590
120043	2001	823,152	1,631,986	1,876,567	0	0	46,590
170171	2003	1,078,684	1,229,880	1,394,312	0	0	27,781
170193	2002	22,577,676	72,542,833	76,870,617	0	500	1,444,115
170210	2003	626,072	2,420,771	2,009,971	0	0	28,607
190248	2003	3,352,738	5,060,810	10,201,197	0	0	235,922
190253	2003	773,059	5,131,825	3,374,134	0	2,424,184	28,534
200258	2003	295,496	1,404,271	1,888,659	0	0	0
250312	2002	2,796,581	2,762,783	3,895,466	0	0	487,351
250322	2003	1,793,143	4,783,996	7,785,641	0	19,500	146,863
290559	2001	5,459,522	19,932,001	22,251,999	473,568	0	97,411
320790	2003	798,967	2,725,262	2,806,374	0	7,004	15,458
330879	2003	656,641	2,715,988	3,604,885	0	0	66,857
330944	2002	1,375,830	9,725,211	8,264,808	0	0	8,682
340993	2001	306,422	545,275	775,618	0	0	1,496
341046	2002	49,770	474,302	212,595	0	0	0
341075	2001	448,227	811,666	863,722	0	0	46,235
351126	2001	79,354	243,164	415,652	0	0	0
351188	2002	460,490	809,847	382,487	259,349	0	66,047
351274	2002	93,706	1,274,988	1,459,100	0	0	0
351283	2001	180,848	814,767	611,654	0	0	10,399
351291	2003	1,995,530	2,181,041	3,907,668	0	0	168,848
351292	2003	422,242	732,952	521,720	0	1,582	3,746
351309	2003	465,574	677,305	852,535	0	16,828	19,371
351320	2001	710,832	365,555	1,668,493	0	0	14,603
361362	2003	1,734,232	10,039,756	10,089,255	253,882	132,567	70,162
361372	2003	63,422	533,600	283,981	0	31	0
361450	2001	2,541,552	7,076,407	6,713,554	0	1,643,557	25,302
361495	2001	259,008	562,283	1,244,788	0	0	17,914
371530	2002	487,640	2,642,535	2,889,747	9,206	0	11,513
371530	2002	487,640	2,642,535	2,889,747	9,206	0	11,513
371556	2002	1,304,773	815,279	2,155,030	0	147,896	96,493
381615	2001	1,915,355	2,059,473	2,862,281	0	0	33,687
381623	2002	82,348	389,617	301,126	0	0	0
381638	2001	323,639	1,500,337	3,215,797	0	0	0
391671	2001	1,035,515	2,781,923	4,173,216	0	862	0
411791	2003	203,748	256,290	245,787	0	0	12,068
442038	2003	754,245	1,310,213	1,083,533	0	0	0
472227	2003	741,262	2,207,612	2,480,461	0	0	133,789
613005	2001	1,895	42,403	5,000	0	0	0
613005	2001	1,895	42,403	5,000	0	0	0

APPENDIX C3
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 OR 2004 SAMPLE HIGH TRAFFIC VOLUME COMPANY ACCOUNTING DATA
FOR 2001, 2002 OR 2003

<u>Study Area Code</u>	<u>Rural Telephone</u> <u>Bank Stock</u>	<u>Other</u> <u>Telephone</u> <u>Plant</u>	<u>Other</u> <u>Non-Current</u> <u>Assets</u>	<u>Cash</u> <u>Working</u> <u>Capital</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Accumulated</u> <u>Amortization</u>
100020	0	353,393	0	134,519	6,958,663	0
120043	53,045	0	0	51,950	2,299,256	0
120043	53,045	0	0	51,950	2,299,256	0
170171	0	0	0	31,936	1,675,502	0
170193	0	2,364,425	0	1,451,727	105,930,697	0
170210	0	0	0	24,874	3,002,055	0
190248	76,000	1,708,093	0	161,004	10,066,401	0
190253	0	51,472	0	59,646	2,980,386	0
200258	0	0	0	32,769	2,211,465	0
250312	0	190,670	0	84,434	2,117,763	0
250322	0	2,836,069	0	110,960	6,668,162	14,355
290559	284,300	1,331,508	0	391,416	25,320,562	99,701
320790	0	0	0	42,236	2,944,564	0
330879	0	0	0	45,634	5,221,913	0
330944	0	641,227	0	97,903	12,083,381	0
340993	0	108,321	0	18,709	962,535	0
341046	0	0	0	6,407	442,517	0
341075	0	0	0	16,706	1,023,195	0
351126	0	4,280	0	4,481	391,168	0
351188	0	0	0	20,249	1,348,512	0
351274	0	0	0	33,185	2,016,997	0
351283	0	0	0	17,912	662,259	0
351291	0	50,421	0	66,863	4,427,860	0
351292	0	0	0	28,826	904,407	1,582
351309	0	0	0	22,699	963,476	3,378
351320	0	0	0	22,220	966,264	0
361362	199,275	338,572	0	193,225	11,786,420	143,528
361372	0	0	0	4,608	737,120	0
361450	52,094	396,264	0	102,437	8,637,534	330,853
361495	0	0	0	29,848	1,067,378	0
371530	0	0	0	49,755	4,234,423	9,206
371530	0	0	0	49,755	4,234,423	9,206
371556	40,992	12,513	0	53,499	2,188,415	147,896
381615	0	78,498	0	52,826	4,597,733	0
381623	0	0	0	9,792	641,409	0
381638	0	0	0	26,612	2,929,869	0
391671	0	3,498	0	45,528	4,126,588	862
411791	0	0	0	12,322	613,722	0
442038	0	0	0	27,394	2,334,603	0
472227	0	236,763	0	25,043	3,655,727	0
613005	0	0	0	3,354	54,789	0
613005	0	0	0	3,354	54,789	0

APPENDIX C3
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 OR 2004 SAMPLE HIGH TRAFFIC VOLUME COMPANY ACCOUNTING DATA
FOR 2001, 2002 OR 2003

<u>Study Area Code</u>	<u>Net Deferred</u> <u>Operating</u> <u>Income Tax</u>	<u>Network</u> <u>Operations</u> <u>Expense</u>	<u>General</u> <u>Support</u> <u>Expense</u>	<u>Central Office</u> <u>Equipment</u> <u>Expense</u>	<u>Cable & Wire</u> <u>Facilities Expense</u>	<u>Other</u> <u>Property &</u> <u>Plant Expense</u>
100020	0	2,745	91,334	180,351	209,738	311
120043	139,200	10,793	56,557	147,784	57,304	29,732
120043	139,200	10,793	56,557	147,784	57,304	29,732
170171	0	31,660	66,049	59,635	62,525	0
170193	10,031,561	92,095	1,045,752	2,629,374	1,862,104	320,511
170210	311,554	0	24,756	83,214	65,345	2,275
190248	0	62,375	249,360	355,710	426,558	40,130
190253	884,148	5,864	43,246	137,137	161,262	-1
200258	0	0	6,051	47,637	207,302	0
250312	1,093,017	0	179,941	148,459	354,963	0
250322	0	463	156,615	192,278	150,779	0
290559	1,573,379	16,014	110,819	269,460	682,302	-1,243
320790	142,627	0	69,951	84,022	141,099	0
330879	0	73	36,007	96,754	146,464	0
330944	8,005,237	5	231,500	159,215	376,267	0
340993	132,545	5,392	17,842	73,342	48,348	0
341046	0	0	2,536	43,011	41,794	0
341075	51,690	0	16,116	39,967	38,656	0
351126	26,477	1,995	6,733	2,623	18,941	0
351188	155,770	1,117	18,650	31,654	41,892	0
351274	34,708	3,215	55,761	93,253	130,820	1,681
351283	100,751	4,452	14,297	13,484	64,284	0
351291	748,888	9,943	73,394	67,949	142,907	0
351292	0	3,076	9,669	33,435	90,380	0
351309	0	0	22,535	29,640	37,322	0
351320	0	841	38,439	55,252	23,762	0
361362	1,303,667	41,600	106,805	382,753	153,958	0
361372	0	291	3,374	1,209	1,949	0
361450	60,071	15,185	106,838	172,121	160,333	0
361495	72,135	2,813	14,931	17,649	53,837	0
371530	0	18,200	32,392	51,504	189,000	58
371530	0	18,200	32,392	51,504	189,000	58
371556	347,356	0	35,144	112,580	95,213	0
381615	21,737	22,840	56,184	50,257	59,470	0
381623	0	0	4,522	27,425	113,168	0
381638	202,831	15,468	6,237	90,547	112,495	0
391671	0	0	73,637	338,323	120,161	0
411791	0	0	26,521	37,975	19,630	5,960
442038	0	50,685	0	37,993	116,345	0
472227	0	482	18,316	93,473	110,052	0
613005	0	0	685	15,157	30,313	0
613005	0	0	685	15,157	30,313	0

APPENDIX C3
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 OR 2004 SAMPLE HIGH TRAFFIC VOLUME COMPANY ACCOUNTING DATA
FOR 2001, 2002 OR 2003

<u>Study Area Code</u>	<u>Network Support Expense</u>	<u>Depreciation & Amortization Expense</u>	<u>Marketing Expense</u>	<u>Services Expense</u>	<u>Executive & Planning Expense</u>	<u>General Administrative Expense</u>
100020	233,224	763,819	26,451	378,122	0	860,482
120043	30,695	272,180	0	236,971	124,071	385,433
120043	30,695	272,180	0	236,971	124,071	385,433
170171	18,091	299,220	100	190,066	12,015	159,865
170193	3,742,090	14,679,923	3,621,925	2,643,852	1,936,600	8,165,706
170210	28,539	189,357	235	29,833	57,871	167,740
190248	242,960	988,363	93,396	483,308	491,465	523,169
190253	132,815	354,032	123,753	307,788	33,525	194,821
200258	0	330,200	8,063	73,342	0	213,090
250312	37,541	733,239	3,353	273,827	0	431,210
250322	91,989	518,530	1,498	342,359	651,624	142,009
290559	961,611	4,116,392	487,447	2,033,797	604,680	2,066,430
320790	143,434	255,606	0	215,875	84,963	189,434
330879	16,782	479,239	0	237,259	116,076	168,443
330944	174,253	1,610,915	96,890	447,777	37,661	595,883
340993	0	72,847	0	96,501	84,791	94,364
341046	3,429	34,898	0	17,665	6,061	40,466
341075	3,993	141,015	0	89,174	46,465	69,307
351126	9,861	42,876	3,175	9,024	1,962	14,578
351188	19,863	117,624	3,773	79,118	138,130	98,828
351274	63,518	189,676	13,042	151,088	12,675	78,998
351283	10,725	104,766	2,033	86,012	68,786	81,113
351291	45,577	556,504	157,468	7,300	492,434	263,391
351292	10,557	107,822	696	63,037	328,536	41,973
351309	7,870	158,007	2,381	58,399	53,228	108,414
351320	26,234	159,129	3,217	73,806	132,766	92,530
361362	622,684	1,608,872	662,613	704,428	159,282	663,869
361372	2,790	67,116	65	15,676	61,965	11,376
361450	177,497	832,599	22,788	428,072	382,548	714,958
361495	15,961	129,563	6,077	92,460	113,300	237,944
371530	166,886	364,581	26,433	124,984	124,879	290,115
371530	166,886	364,581	26,433	124,984	124,879	290,115
371556	193,418	240,126	7,025	127,461	93,439	438,738
381615	54,379	454,919	0	121,085	557,977	127,560
381623	1,869	54,334	648	62,430	0	15,203
381638	18,592	261,400	0	109,433	14,425	37,148
391671	26,273	459,449	7,196	158,418	38,911	173,621
411791	28,127	55,371	3,607	62,035	22,342	62,353
442038	23,158	376,871	2,930	51,279	115,133	134,656
472227	12,172	356,525	2,675	142,480	21,119	161,900
613005	0	6,822	0	20,657	11,367	3,435
613005	0	6,822	0	20,657	11,367	3,435

APPENDIX C3
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 OR 2004 SAMPLE HIGH TRAFFIC VOLUME COMPANY ACCOUNTING DATA
FOR 2001, 2002 OR 2003

<u>Study Area Code</u>	<u>Contributions</u>	<u>Interest & Related Items</u>	<u>Patronage Dividends</u>	<u>Interest on Customer Deposits</u>	<u>Other Long Term Liabilities</u>	<u>Federal Income Tax</u>
100020	5,412	945,677	0	7,361	175,662	0
120043	2,417	59,847	0	466	368,656	95,848
120043	2,417	59,847	0	466	368,656	95,848
170171	1,629	47,193	0	367	0	98,682
170193	57,824	3,388,566	0	26,377	8,009,268	1,304,850
170210	1,279	40,172	0	313	0	23,778
190248	7,141	392,245	0	3,053	1,452,174	372,647
190253	2,755	62,051	0	483	27,566	169,340
200258	1,676	170,149	0	1,324	0	0
250312	4,148	0	0	0	0	417,965
250322	4,394	137,857	0	1,073	0	569,629
290559	21,019	238,981	0	1,860	193,477	1,341,753
320790	2,215	436	0	3	0	17,650
330879	2,546	0	0	0	0	135,500
330944	6,703	155,524	0	1,211	91,000	0
340993	883	42	0	0	0	23,706
341046	334	0	96,490	0	0	0
341075	811	0	0	0	0	84,130
351126	232	0	0	0	0	19,612
351188	985	41,322	0	322	0	6,367
351274	1,661	16	0	0	0	48,536
351283	856	0	0	0	0	51,606
351291	3,286	178,704	0	1,391	0	104,840
351292	1,332	3,717	0	29	0	44,774
351309	844	227,925	0	1,774	0	0
351320	1,091	58,775	109,802	458	0	17,505
361362	9,609	251,230	0	1,956	21,415	570,706
361372	292	8,723	0	68	0	3,991
361450	5,314	289,503	669,902	2,254	0	0
361495	1,236	150,045	0	1,168	0	0
371530	2,557	13,280	0	103	0	101,356
371530	2,557	13,280	0	103	0	101,356
371556	2,449	143,147	0	1,114	82,700	0
381615	2,726	92,707	0	722	0	90,759
381623	498	0	0	0	0	7,951
381638	1,229	198,199	0	1,543	0	8,429
391671	2,737	1,054	5,442,164	8	0	0
411791	610	0	0	0	0	6,536
442038	1,741	196	0	2	0	49,008
472227	1,684	0	813,521	0	0	0
613005	155	0	0	0	0	0
613005	155	0	0	0	0	0

APPENDIX C3
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 OR 2004 SAMPLE HIGH TRAFFIC VOLUME COMPANY ACCOUNTING DATA
FOR 2001, 2002 OR 2003

<u>Study Area Code</u>	<u>State</u> <u>Income Tax</u>	<u>Other</u> <u>Operating</u> <u>Taxes</u>	<u>Allowance</u> <u>For Funds</u> <u>Used During</u> <u>Construction</u>	<u>Federal</u> <u>Investment</u> <u>Tax Credit</u>	<u>Provision</u> <u>For Deferred</u> <u>Operating</u> <u>Income Tax</u>	<u>State Income</u> <u>Tax</u> <u>Indicator</u>	<u>Federal</u> <u>Income</u> <u>Tax</u> <u>Indicator</u>
100020	174,311	336,858	0	643	0	N	N
120043	15,600	28,400	0	206	-19,500	N	N
120043	15,600	28,400	0	206	-19,500	N	N
170171	30,587	30,587	0	261	0	N	N
170193	2,121,608	4,538,870	0	6,582	0	N	N
170210	41,867	80,978	0	225	40,024	N	N
190248	0	118,175	62,041	1,158	0	N	N
190253	54,023	78,596	0	694	82,777	N	N
200258	22,203	70,243	0	175	0	N	N
250312	0	206,413	0	879	0	N	N
250322	76,471	260,490	0	1,354	0	N	N
290559	265,508	654,241	53,414	2,876	-48,388	N	N
320790	17,263	80,469	0	414	116,279	N	N
330879	112,317	156,822	0	235	-15,563	N	N
330944	17,235	96,379	9,747	-21	574,241	N	N
340993	7,988	10,840	0	82	9,776	N	N
341046	0	908	0	37	0	N	N
341075	15,234	18,566	0	139	-11,709	N	N
351126	8,587	20,491	0	41	0	N	N
351188	2,034	11,640	0	60	0	N	N
351274	105,553	154,798	0	99	-1,094	N	N
351283	15,597	38,957	0	109	0	N	N
351291	-6,765	58,509	22,780	397	0	N	N
351292	23,442	71,448	0	98	0	N	N
351309	-15,858	2,724	0	133	0	N	N
351320	0	16,872	0	228	0	N	N
361362	336,417	378,720	0	1,203	-87,207	N	N
361372	0	639	0	18	0	N	N
361450	-9,947	19,548	0	988	0	N	N
361495	1,634	19,996	0	120	0	N	N
371530	47,248	71,282	0	228	0	N	N
371530	47,248	71,282	0	228	0	N	N
371556	19,279	54,325	0	211	20,753	N	N
381615	34,973	51,189	0	296	0	N	N
381623	0	5,049	0	17	0	N	N
381638	20,556	34,796	0	242	0	N	N
391671	0	167,235	2,524	491	0	N	N
411791	11,018	24,725	0	14	0	N	N
442038	0	85,104	0	103	0	N	N
472227	1,399	42,580	3,854	272	0	N	N
613005	0	0	0	-1	0	N	N
613005	0	0	0	-1	0	N	N

APPENDIX C4
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>Land & Support Facilities</u>	<u>Central Office Equipment</u>	<u>Cable & Wire Facilities</u>	<u>Tangible Assets</u>	<u>Intangible Assets</u>	<u>Materials & Supplies</u>
100020	1,624,558	4,899,111	5,100,566	0	0	67,388
100022	4,173,412	6,170,689	8,503,860	0	0	158,740
120043	823,152	1,631,986	1,876,567	0	0	46,590
120043	823,152	1,631,986	1,876,567	0	0	46,590
170161	61,285,951	233,612,556	279,869,085	2,497,264	0	3,152,293
170193	22,158,045	72,415,398	74,175,096	0	500	1,730,232
170204	942,701	2,471,712	4,465,824	0	68	60,059
170215	340,769	976,992	581,528	0	79,361	3,443
190238	846,387	2,364,860	4,569,399	0	467	12,764
190243	1,828,973	1,808,296	2,764,670	0	1,452	24,261
190248	3,301,008	4,826,616	9,967,104	0	0	255,022
200258	295,496	1,404,271	1,861,795	0	0	0
230503	4,413,814	8,807,463	22,003,874	0	0	503,849
250283	4,855,884	8,739,889	12,189,968	277,517	0	182,074
250322	1,792,405	4,530,448	7,695,318	0	19,500	185,147
290553	11,871,724	41,067,696	51,528,821	0	0	1,960,007
290554	5,711,999	8,513,810	21,452,236	222,456	3,693	1,619,362
290559	5,459,522	19,932,001	22,251,999	473,568	0	97,411
290565	6,978,908	19,362,669	39,619,331	0	2,422	1,129,488
300586	499,875	1,419,491	2,478,099	0	262	6,804
300588	890,855	1,077,393	1,276,476	0	0	19,019
300589	310,059	492,560	2,247,590	0	0	0
300594	4,301,269	14,294,715	12,757,855	0	0	125,052
300609	1,198,239	3,194,139	3,047,969	0	0	44,026
300664	380,744	1,200,831	1,037,522	0	0	28,477
310688	749,070	5,123,279	1,800,652	0	0	241,182
310694	482,456	1,058,502	1,846,676	0	0	32,503
310735	523,937	288,871	1,251,854	0	0	9,559
320778	1,243,439	1,866,085	3,680,966	0	0	30,318
320790	817,179	2,460,568	2,683,043	0	7,004	9,642
320829	3,691,555	2,534,695	4,411,369	0	8,606	47,386
330847	44,319	579,873	1,524,500	0	0	0
330872	713,313	1,394,094	2,042,366	0	0	32,913
330892	1,357,709	2,301,360	3,452,231	0	438	47,408
330900	1,182,324	3,275,202	5,487,133	0	0	38,236
330914	2,256,261	5,658,617	9,609,637	0	0	49,487
330949	815,086	2,171,598	2,306,304	0	0	97,721
330955	2,551,216	6,352,198	9,058,690	0	0	126,820
330968	1,769,381	4,279,371	7,142,866	229,759	780	145,718
340976	4,841,458	2,729,726	6,018,350	0	8,844	385,144
340983	150,502	1,551,230	1,511,141	0	2,000	0
340993	306,422	545,275	775,618	0	0	1,496
341021	91,680	209,471	75,000	0	0	6,786
341029	126,184	1,432,891	1,373,902	0	0	0
341053	3,144,961	3,245,349	5,873,213	0	0	144,494
341062	768,615	800,647	895,899	0	273	9,986
341075	448,227	811,666	863,722	0	0	46,235
351097	62,595	620,274	232,334	0	392	3,492

APPENDIX C4
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>Rural Telephone Bank Stock</u>	<u>Other Telephone Plant</u>	<u>Other Non-Current Assets</u>	<u>Cash Working Capital</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Amortization</u>
100020	0	2,898	0	173,397	6,356,510	0
100022	0	216,154	0	236,087	11,286,878	0
120043	53,045	0	0	51,603	2,299,256	0
120043	53,045	0	0	51,603	2,299,256	0
170161	0	19,091,061	0	3,671,686	315,381,165	11,167
170193	0	2,706,292	0	1,392,902	93,999,662	0
170204	72,100	116,414	57,936	60,269	2,921,944	0
170215	0	139,288	0	35,187	920,885	61,679
190238	89,132	0	0	27,514	3,608,520	0
190243	444,851	772,012	0	39,816	3,848,168	1,452
190248	76,000	1,322,186	0	150,845	9,275,256	0
200258	0	0	0	37,609	1,981,734	0
230503	0	1,755,667	0	150,182	19,019,903	0
250283	819,223	45,811	0	179,280	15,133,266	95,501
250322	0	944,387	0	107,718	6,150,835	12,730
290553	344,229	2,014,280	0	499,263	56,237,964	0
290554	426,400	1,359,568	0	199,308	16,494,476	89,767
290559	284,300	1,331,508	0	385,514	25,320,562	99,701
290565	0	3,215,309	0	385,826	32,222,221	2,137
300586	0	0	0	19,928	2,530,473	42,730
300588	0	4,485	103	23,638	1,821,708	0
300589	0	67,722	0	14,779	676,594	0
300594	0	0	0	212,796	18,332,798	0
300609	0	79,157	0	90,411	4,004,075	0
300664	0	0	0	16,689	1,379,065	0
310688	3,000	49,073	0	53,188	3,772,919	0
310694	0	0	0	24,866	573,055	0
310735	0	135,552	0	34,805	1,264,447	0
320778	0	1,239	0	45,562	5,451,708	0
320790	0	0	0	47,365	2,693,299	0
320829	0	870	0	101,027	3,688,933	0
330847	30,800	0	0	17,079	1,010,104	0
330872	13,200	535	0	30,091	2,409,136	0
330892	0	229,324	0	44,865	3,872,455	0
330900	0	1,060,555	0	74,655	6,021,726	0
330914	42,101	55,025	0	123,974	9,176,594	0
330949	115,700	15,438	0	43,289	3,498,592	0
330955	0	1,618,967	0	171,407	7,519,595	0
330968	143,351	312,145	0	138,916	6,480,300	60,504
340976	127,000	314,204	0	138,470	9,281,859	0
340983	0	0	105,212	49,411	2,250,848	0
340993	0	108,321	0	18,531	962,535	0
341021	0	0	0	3,017	135,835	0
341029	0	0	415,139	43,745	2,273,049	0
341053	166,400	2,333	273,802	80,646	5,978,151	0
341062	0	108,701	0	17,032	1,071,864	0
341075	0	0	0	16,367	1,023,195	0
351097	0	7,884	0	10,728	565,617	259

APPENDIX C4
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>Net Deferred Operating Income Tax</u>	<u>Network Operations Expense</u>	<u>General Support Expense</u>	<u>Central Office Equipment Expense</u>	<u>Cable & Wire Facilities Expense</u>	<u>Other Property & Plant Expense</u>
100020	0	0	35,825	112,772	247,598	15
100022	0	32,570	92,371	256,856	339,195	7,367
120043	139,200	10,793	56,557	147,784	57,304	29,732
120043	139,200	10,793	56,557	147,784	57,304	29,732
170161	35,460,773	1,156,647	2,314,277	2,617,784	10,092,309	0
170193	8,868,031	93,294	1,109,745	3,043,661	2,020,926	454,098
170204	744,279	0	32,018	82,280	83,964	0
170215	291,012	0	84,699	66,500	66,427	0
190238	769,551	2,717	41,985	94,835	83,793	0
190243	0	5,735	39,630	102,805	136,719	0
190248	0	51,662	217,658	358,606	362,360	30,731
200258	0	0	260	25,023	147,581	0
230503	0	0	213,323	291,959	641,778	973
250283	0	5,840	185,842	300,906	522,283	0
250322	-78,918	1,947	178,405	204,605	167,606	0
290553	0	325,087	602,077	1,373,414	1,878,719	63,513
290554	0	0	331,845	285,772	931,471	0
290559	1,573,379	16,014	110,819	269,460	682,302	-1,243
290565	0	16,291	732,320	951,256	1,726,921	86,775
300586	0	0	37,709	59,254	19,508	12,156
300588	93,782	968	17,272	63,834	56,758	0
300589	0	0	16,052	23,588	23,259	0
300594	1,056,179	2,159	383,672	471,356	581,150	1,481
300609	444,747	6,049	52,801	89,548	270,129	0
300664	0	15	19,097	57,475	42,582	0
310688	1,505,762	0	80,478	60,839	55,519	463
310694	294,639	0	32,520	43,152	27,719	0
310735	35,666	3,928	40,116	143,306	48,943	0
320778	-104,538	3,078	8,202	79,130	127,665	878
320790	0	0	54,710	101,058	211,418	0
320829	1,006,088	9,367	64,919	101,638	225,378	900
330847	76,775	957	10,573	18,331	35,589	0
330872	123,294	1,840	14,013	72,399	38,997	0
330892	-21,308	0	75,654	151,021	55,579	0
330900	83,772	0	63,151	170,429	168,773	1,335
330914	911,612	9,831	74,209	151,473	161,510	-1,337
330949	128,971	319	21,725	83,540	102,236	0
330955	1,074,740	53,806	149,014	247,549	308,907	0
330968	741,073	9,522	118,697	128,685	193,765	5,180
340976	0	7,696	247,143	469,928	318,528	48,032
340983	-18,329	844	20,519	152,424	90,212	0
340993	132,545	5,392	17,842	73,342	48,348	0
341021	0	0	22,998	2,675	3,279	0
341029	0	4,888	34,570	116,030	104,161	0
341053	496,256	129	109,936	197,958	213,291	0
341062	165,156	0	12,767	46,099	30,268	0
341075	51,690	0	16,116	39,967	38,656	0
351097	39,914	0	5,663	26,186	31,565	0

APPENDIX C4
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2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>Network Support Expense</u>	<u>Depreciation & Amortization Expense</u>	<u>Marketing Expense</u>	<u>Services Expense</u>	<u>Executive & Planning Expense</u>	<u>General Administrative Expense</u>
100020	259,661	729,174	3,836	458,302	31	836,929
100022	341,477	2,480,804	1,375	650,015	86,892	856,167
120043	30,695	272,180	0	236,971	124,071	385,433
120043	30,695	272,180	0	236,971	124,071	385,433
170161	11,312,678	41,380,729	1,721,195	4,060,774	-8,524	26,431,642
170193	3,655,047	14,750,812	3,730,019	2,542,264	1,694,354	7,427,078
170204	56,053	418,984	0	249,186	273,414	260,780
170215	12,090	101,541	821	202,576	97,955	279,353
190238	21,817	380,341	0	79,029	102,409	162,480
190243	38,063	352,759	315	260,134	159,510	154,890
190248	208,466	1,008,306	78,891	406,341	460,701	550,558
200258	17,231	220,413	308	94,791	0	345,431
230503	353,411	2,256,868	11,193	788,723	384,922	648,733
250283	186,328	1,795,548	149,619	650,931	310,714	985,912
250322	120,494	529,776	2,262	338,867	671,016	134,194
290553	1,636,199	8,000,880	472,789	2,786,458	387,124	1,227,169
290554	276,542	1,715,805	186,730	685,576	282,245	766,235
290559	961,611	4,116,392	487,447	2,033,797	604,680	2,066,430
290565	774,612	4,588,090	49,162	1,394,101	576,549	1,173,979
300586	1,366	252,105	12,722	129,846	5,227	143,850
300588	33,209	203,581	1,802	107,654	83,684	56,990
300589	4,667	115,198	0	57,014	102,440	101,518
300594	248,994	2,588,419	219,702	506,940	323,936	912,835
300609	127,121	702,398	155	451,412	491,820	350,825
300664	9,494	212,551	4,821	46,886	29,279	103,741
310688	88,286	701,015	1,132	219,409	309,772	293,047
310694	23,650	193,887	4,727	98,836	49,842	141,011
310735	49,840	165,538	3,147	90,855	150,503	162,631
320778	88,617	459,133	73,783	223,321	29,085	230,391
320790	135,070	245,473	0	207,932	79,976	172,009
320829	363,284	712,643	164,024	457,075	170,616	530,257
330847	23,465	131,431	886	104,098	39,857	75,502
330872	50,325	251,843	1,427	138,079	81,800	147,229
330892	68,568	428,012	757	158,930	69,463	145,222
330900	55,504	874,966	18,651	368,605	186,670	165,585
330914	313,720	1,129,522	196,412	590,225	159,092	612,883
330949	78,479	427,503	4,489	255,420	63,865	211,116
330955	547,584	1,103,100	20,481	910,270	630,856	482,690
330968	372,659	1,000,581	286,117	597,232	275,034	719,346
340976	78,867	882,061	267,321	423,904	140,657	1,058,132
340983	45,593	238,252	13,646	167,932	305,395	159,669
340993	0	72,847	0	96,501	84,791	94,364
341021	0	16,850	0	26,529	5,043	1,630
341029	36,525	177,598	11,680	161,231	424,663	152,718
341053	39,511	811,474	23,868	235,798	476,388	246,583
341062	13,167	142,093	0	108,837	35,894	75,688
341075	3,993	141,015	0	89,174	46,465	69,307
351097	6,750	72,728	0	74,264	50,245	34,362

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2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>Contributions</u>	<u>Interest & Related Items</u>	<u>Patronage Dividends</u>	<u>Interest on Customer Deposits</u>	<u>Other Long Term Liabilities</u>	<u>Federal Income Tax</u>
100020	6,359	1,909,333	0	16,221	158,131	0
100022	11,397	2,778,665	0	23,606	0	0
120043	2,889	59,805	0	508	368,656	87,316
120043	2,889	59,805	0	508	368,656	87,316
170161	65,072	7,432,061	0	63,140	2,398,895	12,020,906
170193	65,072	3,089,287	0	26,245	7,585,686	811,042
170204	3,444	166,760	0	1,417	0	72,531
170215	1,963	19,641	0	167	0	0
190238	0	24,464	0	208	205,627	0
190243	0	23,165	435,829	197	0	0
190248	0	454,813	0	3,864	1,264,367	336,470
200258	1,903	225,972	0	1,920	0	0
230503	11,709	285,061	4,015,526	2,422	867,729	0
250283	11,298	0	0	0	0	757,437
250322	0	166,409	0	1,414	0	456,772
290553	0	487,560	6,823,399	4,142	-297,914	0
290554	0	692,239	1,231,751	5,881	1,634,167	0
290559	25,124	238,812	0	2,029	193,477	1,196,718
290565	0	1,033,211	4,495,324	8,778	1,250,707	0
300586	1,524	8,638	276,466	73	28,795	0
300588	0	22	0	0	0	117,626
300589	0	7,574	342,243	64	0	0
300594	14,282	118,782	0	1,009	667,458	821,761
300609	5,579	14,376	0	122	9,208	222,025
300664	0	23,740	33,212	202	0	45,807
310688	0	35,164	0	299	0	0
310694	0	0	0	0	0	120,409
310735	0	53,921	0	458	0	57,190
320778	2,971	61,784	0	525	3,784	86,283
320790	2,644	883	0	8	0	133,275
320829	6,290	0	0	0	26,871	164,151
330847	1,005	26,388	0	224	0	38,219
330872	1,833	50,907	0	432	0	57,250
330892	2,580	119,377	0	1,014	11,431	146,065
330900	4,786	101,866	0	865	0	287,671
330914	7,728	73,973	0	628	46,090	375,586
330949	2,805	36,038	0	306	0	104,320
330955	10,090	31,890	0	271	385,186	387,443
330968	8,160	153,329	0	1,303	234,795	327,801
340976	0	164,401	281,286	1,397	31,368	73,111
340983	2,533	230,271	0	1,956	104,546	0
340993	0	42	0	0	0	19,343
341021	0	0	19,300	0	0	4,505
341029	2,562	213	0	2	791,593	17,520
341053	5,099	-56,206	0	-478	0	392,487
341062	991	507	0	4	0	82,350
341075	970	0	0	0	0	75,822
351097	0	168	0	1	0	16,140

APPENDIX C4
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>State</u> <u>Income Tax</u>	<u>Other</u> <u>Operating</u> <u>Taxes</u>	<u>Allowance</u> <u>For Funds</u> <u>Used During</u> <u>Construction</u>	<u>Federal</u> <u>Investment</u> <u>Tax Credit</u>	<u>Provision</u> <u>For Deferred</u> <u>Operating</u> <u>Income Tax</u>	<u>State Income</u> <u>Tax</u> <u>Indicator</u>	<u>Federal</u> <u>Income</u> <u>Tax</u> <u>Indicator</u>
100020	166,479	337,816	0	979	0	N	N
100022	67,468	276,709	0	1,500	0	N	N
120043	15,600	28,400	0	307	-19,500	N	N
120043	15,600	28,400	0	307	-19,500	N	N
170161	4,353,674	9,132,517	0	46,811	-2,233,201	N	N
170193	2,427,931	4,184,931	0	11,856	0	N	N
170204	102,042	187,286	0	854	35,915	N	N
170215	0	25,848	0	145	53,649	N	N
190238	31,241	55,134	0	623	115,569	N	N
190243	0	46,971	0	717	0	N	N
190248	0	98,956	48,724	1,740	0	N	N
200258	11,421	56,331	0	299	0	N	N
230503	0	0	28,588	3,326	0	N	N
250283	0	272,423	0	2,375	0	N	N
250322	0	175,438	0	1,713	0	Y	N
290553	0	894,458	0	9,988	0	N	N
290554	0	299,282	102,008	3,986	0	Y	Y
290559	265,508	654,241	53,414	4,280	-48,388	N	N
290565	0	650,387	207,103	6,961	0	N	N
300586	0	54,235	0	341	0	N	N
300588	0	35,124	0	256	-23,452	N	N
300589	9,466	22,990	0	461	0	N	N
300594	0	582,091	0	2,159	-128,118	N	N
300609	0	123,013	0	587	-27,656	N	N
300664	0	22,727	0	240	0	N	N
310688	22,282	149,332	0	508	321,574	N	N
310694	0	62,718	0	482	21,754	N	N
310735	0	41,919	0	172	-20,400	N	N
320778	27,913	95,649	0	278	-29,832	N	N
320790	14,039	55,593	0	619	36,566	N	N
320829	41,500	205,004	576	1,127	112,683	N	N
330847	12,121	39,168	2,129	207	5,240	N	N
330872	40,144	77,209	0	314	-3,875	N	N
330892	5,679	78,399	20,995	666	6,785	N	N
330900	119,732	212,022	14,542	933	-65,957	N	N
330914	129,237	294,038	3,037	1,424	-18,853	N	N
330949	43,901	91,150	0	358	-21,557	N	N
330955	158,988	366,409	31,684	2,028	112,856	N	N
330968	65,989	190,378	0	1,230	-34,891	N	N
340976	0	18,784	0	982	0	N	N
340983	13,679	13,675	0	200	-39,518	N	N
340993	7,988	10,840	0	121	9,776	N	N
341021	0	6,703	0	47	0	N	N
341029	0	210	0	55	0	Y	N
341053	48,618	81,905	0	1,205	-2,605	N	N
341062	7,471	8,608	0	255	-3,543	N	N
341075	15,234	18,566	0	207	-11,709	N	N
351097	5,774	15,635	0	61	0	N	N

APPENDIX C4
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>Land & Support Facilities</u>	<u>Central Office Equipment</u>	<u>Cable & Wire Facilities</u>	<u>Tangible Assets</u>	<u>Intangible Assets</u>	<u>Materials & Supplies</u>
351107	212,073	212,600	446,630	0	0	6,108
351126	79,354	243,164	415,652	0	0	0
351130	546,897	1,340,106	1,389,470	0	1,246	24,928
351172	3,721,809	4,205,949	5,331,519	0	0	94,354
351177	921,002	698,516	1,884,486	0	737	0
351187	1,154,078	1,636,464	1,505,336	0	0	9,838
351188	458,140	771,916	381,356	259,349	0	80,757
351241	239,039	1,025,422	595,107	0	480	8,341
351246	387,818	705,605	1,548,030	0	412	6,246
351263	533,249	1,540,572	1,960,091	0	817	48,347
351266	176,688	647,035	277,508	0	540	8,167
351274	120,554	1,210,284	1,265,552	0	0	0
351285	415,433	862,800	785,098	0	0	19,298
351292	387,777	623,231	444,671	0	1,582	3,746
351304	306,807	910,836	666,121	0	12,345	12,544
351309	464,107	663,357	839,713	0	16,828	20,273
351329	612,962	1,085,907	2,644,174	0	0	41,096
351337	4,543,704	10,227,391	6,755,718	0	1,424,016	1,069,568
361358	2,319,873	6,970,997	8,570,872	0	0	393,322
361396	637,297	2,663,250	3,707,548	0	0	29,418
361408	927,164	1,535,954	2,364,402	0	701	58,788
361448	304,089	811,852	2,583,650	0	0	27,951
361450	2,541,552	7,076,407	6,713,554	0	1,643,557	25,302
361474	279,086	554,042	797,372	0	0	11,914
361479	3,749,986	9,351,007	20,805,323	0	0	333,835
361482	6,088,551	9,593,698	19,079,994	0	0	1,736,482
361495	259,008	562,283	1,244,788	0	0	17,914
361499	1,647,661	2,771,122	3,599,955	0	0	38,805
361515	556,914	1,054,004	2,329,734	0	0	271
371530	484,742	2,417,402	2,795,019	9,206	0	28,091
371530	484,742	2,417,402	2,795,019	9,206	0	28,091
371563	354,345	1,309,256	1,529,228	0	0	16,417
371581	1,150,727	1,585,394	2,581,978	0	480	51,603
381615	1,915,355	2,059,473	2,862,281	0	0	33,687
381638	323,639	1,500,337	3,215,797	0	0	0
391677	1,566,392	7,766,512	9,782,326	0	532	141,048
391688	1,204,628	1,548,545	1,876,058	0	0	142,219
421860	114,921	273,581	576,487	0	0	0
421900	575,521	1,067,466	1,279,149	0	0	277,554
442107	1,953,849	6,887,598	5,829,957	0	69,015	187,502
442107	1,953,849	6,887,598	5,829,957	0	69,015	187,502
462198	542,926	1,424,290	1,772,420	24,598	0	30,577
472227	741,842	2,048,680	2,466,592	0	0	138,908
613005	1,895	42,403	5,000	0	0	0
613005	1,895	42,403	5,000	0	0	0

APPENDIX C4
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2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>Rural Telephone Bank Stock</u>	<u>Other Telephone Plant</u>	<u>Other Non-Current Assets</u>	<u>Cash Working Capital</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Amortization</u>
351107	0	0	0	9,772	352,861	0
351126	0	4,280	0	4,290	391,168	0
351130	0	75,596	0	20,547	1,825,886	1,246
351172	0	168,871	0	107,760	2,299,652	0
351177	0	0	0	42,967	2,114,153	0
351187	0	17,004	0	46,023	1,827,912	0
351188	0	0	0	22,956	1,230,888	0
351241	0	0	0	15,003	1,344,346	122
351246	0	281,650	0	16,989	1,237,404	0
351263	0	268,615	0	31,187	1,714,532	0
351266	0	0	0	7,777	673,089	0
351274	0	79,690	0	27,687	1,860,039	0
351285	0	0	0	19,613	1,099,222	0
351292	0	0	0	24,611	784,776	1,582
351304	0	0	0	15,954	1,281,139	2,096
351309	0	0	0	26,256	806,591	2,256
351329	26,834	237,057	0	24,342	2,424,239	0
351337	0	7,043,719	621,360	126,758	13,168,735	2,082,682
361358	0	0	0	134,633	10,904,434	0
361396	0	590,730	0	32,736	5,022,512	0
361408	59,697	0	0	58,683	2,635,655	0
361448	0	0	0	48,089	2,107,754	0
361450	52,094	396,264	0	102,457	8,637,534	330,853
361474	0	0	0	14,158	1,008,526	0
361479	34,795	0	0	230,405	16,300,481	0
361482	51,500	10,394	0	364,781	13,667,451	0
361495	0	0	0	29,850	1,067,378	0
361499	0	50,608	0	38,614	3,361,224	0
361515	0	21,153	0	33,644	2,094,709	0
371530	0	0	0	48,568	3,895,443	9,206
371530	0	0	0	48,568	3,895,443	9,206
371563	0	0	0	24,660	2,176,681	0
371581	90,541	0	0	52,288	3,465,121	0
381615	0	78,498	0	52,050	4,597,733	0
381638	0	0	0	26,270	2,929,869	0
391677	225,700	0	0	105,840	11,969,470	0
391688	0	2,444	0	30,653	3,434,041	14,961
421860	0	0	0	12,805	260,320	0
421900	11,952	2,867	0	33,969	1,072,936	0
442107	0	0	0	163,853	6,308,696	25,577
442107	0	0	0	163,853	6,308,696	25,577
462198	0	0	0	29,049	1,560,589	14,206
472227	0	136,371	0	23,645	3,303,505	0
613005	0	0	0	3,354	54,789	0
613005	0	0	0	3,354	54,789	0

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2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>Net Deferred Operating Income Tax</u>	<u>Network Operations Expense</u>	<u>General Support Expense</u>	<u>Central Office Equipment Expense</u>	<u>Cable & Wire Facilities Expense</u>	<u>Other Property & Plant Expense</u>
351107	41,705	0	6,987	36,725	56,452	0
351126	26,477	1,995	6,733	2,623	18,941	0
351130	55,435	0	20,992	19,569	52,522	0
351172	870,388	0	46,491	133,191	359,598	0
351177	98,594	0	33,631	96,023	221,856	0
351187	0	2,329	57,748	76,790	145,541	24
351188	96,401	-2,111	32,954	24,675	53,400	0
351241	88,475	0	6,318	37,924	51,346	242
351246	145,615	0	9,372	19,525	72,024	0
351263	357,880	74	26,621	121,291	101,954	0
351266	42,910	0	3,912	7,729	37,159	0
351274	48,383	4,024	46,876	95,017	95,820	2,239
351285	70,988	2,345	13,596	19,776	91,832	0
351292	0	2,807	12,258	64,596	82,805	0
351304	86,771	0	16,659	20,310	44,417	0
351309	0	0	39,716	36,259	35,550	0
351329	0	0	37,827	64,496	68,268	0
351337	0	0	207,302	386,611	278,860	0
361358	0	18,000	369,952	187,321	627,468	32
361396	0	8,928	40,376	70,398	105,378	0
361408	0	4,914	39,731	78,687	165,068	190
361448	202,739	1,577	32,861	86,227	262,476	2,914
361450	60,071	15,185	106,838	172,121	160,333	0
361474	650,314	38	4,560	15,036	74,180	0
361479	0	0	156,484	213,254	509,158	0
361482	0	46,331	353,724	781,934	1,120,778	27,466
361495	72,135	2,813	14,931	17,649	53,837	0
361499	0	710	91,787	53,458	131,060	1,375
361515	141,949	6,290	24,375	128,206	37,507	0
371530	0	21,804	54,200	60,168	174,506	840
371530	0	21,804	54,200	60,168	174,506	840
371563	112,532	444	25,167	34,833	49,704	0
371581	0	16,269	50,477	76,568	78,434	0
381615	21,737	22,840	56,184	50,257	59,470	0
381638	202,831	15,468	6,237	90,547	112,495	0
391677	949,398	24,625	60,169	213,524	449,796	558
391688	40,348	111,540	37,804	41,969	66,801	0
421860	104,640	0	9,068	28,844	16,351	0
421900	229,691	0	34,242	93,111	213,581	0
442107	808,803	15,717	203,706	484,239	731,610	0
442107	808,803	15,717	203,706	484,239	731,610	0
462198	115,268	8,381	66,532	43,528	87,348	0
472227	0	0	21,835	92,575	100,457	0
613005	0	0	685	15,157	30,313	0
613005	0	0	685	15,157	30,313	0

APPENDIX C4
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>Network Support Expense</u>	<u>Depreciation & Amortization Expense</u>	<u>Marketing Expense</u>	<u>Services Expense</u>	<u>Executive & Planning Expense</u>	<u>General Administrative Expense</u>
351107	5,831	57,481	0	29,166	17,845	36,432
351126	9,861	42,876	3,175	9,024	1,962	14,578
351130	43,499	248,243	3,178	71,658	62,785	94,236
351172	55,875	685,935	215,516	230,647	135,145	216,535
351177	50,236	229,276	78,797	185,869	135,189	85,176
351187	47,833	325,390	40,324	156,097	115,328	217,284
351188	21,198	126,554	4,017	87,891	144,870	109,668
351241	34,899	104,136	0	86,370	34,310	46,771
351246	9,035	158,633	0	71,988	58,531	35,603
351263	14,015	269,809	2,710	125,055	42,911	97,953
351266	11,263	81,725	0	29,378	29,691	29,372
351274	57,277	179,319	13,374	128,979	11,074	77,073
351285	9,266	114,143	1,628	73,185	93,276	64,252
351292	29,482	88,721	977	73,475	189,773	74,745
351304	4,869	124,317	0	99,153	86,056	60,108
351309	7,758	161,709	4,673	59,893	65,156	107,001
351329	5,559	318,962	7,099	126,782	70,481	81,875
351337	146,609	2,285,872	135,305	527,964	409,250	580,334
361358	77,088	904,948	57,526	674,400	387,597	334,404
361396	32,677	381,131	0	146,174	160,991	188,842
361408	52,737	287,520	70	284,749	204,249	405,304
361448	88,234	299,548	21,408	200,653	200,236	164,476
361450	177,497	832,599	22,788	428,072	382,548	714,958
361474	2,765	83,516	144	81,611	41,471	74,539
361479	638,170	2,041,205	300,337	801,082	302,000	1,603,795
361482	278,817	2,332,807	242,882	1,680,347	1,995,063	649,788
361495	15,961	129,563	6,077	92,460	113,300	237,944
361499	95,591	545,596	22,241	134,312	137,572	221,881
361515	9,272	211,940	12,942	213,960	121,449	133,983
371530	184,099	397,716	32,653	128,816	114,525	262,777
371530	184,099	397,716	32,653	128,816	114,525	262,777
371563	36,895	216,579	8,254	105,556	106,117	114,245
371581	10,937	250,664	17,994	228,602	366,936	236,212
381615	54,379	454,919	0	121,085	557,977	127,560
381638	18,592	261,400	0	109,433	14,425	37,148
391677	211,018	1,204,897	32,746	377,951	213,174	177,466
391688	60,841	238,027	0	68,424	36,937	170,202
421860	7,593	43,624	1,319	35,685	8,248	164,504
421900	81,424	176,697	18,321	130,658	7,558	124,682
442107	283,999	1,063,378	13,438	875,510	440,848	420,248
442107	283,999	1,063,378	13,438	875,510	440,848	420,248
462198	14,943	201,382	2,326	163,365	56,067	101,999
472227	16,841	351,820	294	141,238	11,251	150,441
613005	0	6,822	0	20,657	11,367	3,435
613005	0	6,822	0	20,657	11,367	3,435

APPENDIX C4
2006 MODIFICATION OF AVERAGE SCHEDULES
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<u>Study Area Code</u>	<u>Contributions</u>	<u>Interest & Related Items</u>	<u>Patronage Dividends</u>	<u>Interest on Customer Deposits</u>	<u>Other Long Term Liabilities</u>	<u>Federal Income Tax</u>
351107	569	0	0	0	0	23,253
351126	277	0	0	0	0	14,957
351130	1,402	168	0	1	0	77,727
351172	4,809	690,583	0	5,867	118,914	217,262
351177	2,547	256	0	2	0	57,393
351187	2,528	143,808	0	1,222	0	80,137
351188	0	62,050	0	527	0	6,177
351241	962	6,185	0	53	0	3,371
351246	1,045	5	0	0	0	72,460
351263	1,935	703	0	6	0	103,244
351266	0	13	0	0	0	15,165
351274	1,740	228	0	2	0	21,516
351285	0	178	0	2	0	24,385
351292	1,350	4,048	0	34	0	38,397
351304	0	241	0	2	0	20,686
351309	1,094	272,297	0	2,313	0	0
351329	1,735	70,933	295,088	603	69,973	0
351337	10,884	83,352	2,424,724	708	960,284	0
361358	7,950	32,251	0	274	0	349,080
361396	0	31,370	1,019,603	267	0	0
361408	3,198	150,247	0	1,276	360,000	36,677
361448	2,922	146	0	1	0	73,413
361450	0	289,299	669,902	2,458	0	0
361474	837	28,271	0	240	0	0
361479	0	10,916	0	93	199,563	1,065,702
361482	20,113	465,313	0	3,953	0	1,129,588
361495	1,477	149,939	0	1,274	0	0
361499	0	46,544	0	395	0	0
361515	0	3	0	0	0	84,644
371530	0	15,072	0	128	0	102,197
371530	0	15,072	0	128	0	102,197
371563	1,580	0	0	0	0	61,367
371581	2,854	84,220	0	716	0	74,929
381615	0	92,642	0	787	0	71,740
381638	1,470	198,059	0	1,683	0	0
391677	6,764	335,638	0	2,851	0	211,826
391688	0	46,579	0	396	0	52,359
421860	639	1,416	0	12	0	48,433
421900	1,937	73,695	0	626	0	3,533
442107	9,978	0	0	0	0	281,621
442107	9,978	0	0	0	0	281,621
462198	0	36,827	0	313	0	107,057
472227	0	0	634,040	0	0	0
613005	0	0	0	0	0	0
613005	0	0	0	0	0	0

APPENDIX C4
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2001

<u>Study Area Code</u>	<u>State Income Tax</u>	<u>Other Operating Taxes</u>	<u>Allowance For Funds Used During Construction</u>	<u>Federal Investment Tax Credit</u>	<u>Provision For Deferred Operating Income Tax</u>	<u>State Income Tax Indicator</u>	<u>Federal Income Tax Indicator</u>
351107	10,876	24,996	0	91	0	N	N
351126	8,587	20,491	0	61	0	N	N
351130	22,798	53,357	0	282	0	N	N
351172	152,259	212,933	100,581	1,934	0	N	N
351177	37,727	100,865	0	244	0	N	N
351187	-323	21,956	12,993	472	0	N	N
351188	-3,633	13,166	0	118	0	N	N
351241	36,252	57,193	0	82	0	N	N
351246	38,553	64,567	0	292	0	N	N
351263	62,655	121,925	0	431	0	N	N
351266	15,869	25,472	0	74	0	N	N
351274	48,880	120,074	0	145	-1,092	N	N
351285	56,689	83,365	0	172	0	N	N
351292	0	25,332	0	127	0	Y	N
351304	20,267	35,616	0	99	0	N	N
351309	-12,694	2,791	5,253	223	0	N	N
351329	2,746	46,966	11,031	407	0	N	N
351337	-3,005	241,420	84,060	2,655	0	N	N
361358	142,435	159,270	0	1,389	0	N	N
361396	3,787	10,576	0	492	0	N	N
361408	0	3,672	0	369	0	N	N
361448	22,168	35,269	0	268	0	N	N
361450	-9,947	19,548	0	1,470	0	N	N
361474	20,013	21,660	0	-3	0	N	N
361479	0	2,161	0	3,359	0	N	N
361482	0	96,000	0	4,327	0	Y	N
361495	1,634	19,996	0	179	0	N	N
361499	0	1,776	0	897	0	Y	Y
361515	35,978	45,714	0	326	0	N	N
371530	0	29,689	0	346	0	Y	N
371530	0	29,689	0	346	0	Y	N
371563	33,923	57,292	0	174	-15,709	N	N
371581	0	29,674	0	377	0	Y	N
381615	34,973	51,189	0	440	0	N	N
381638	20,556	34,796	0	360	0	N	N
391677	5,776	262,842	0	1,240	0	N	N
391688	0	51,797	0	243	0	N	N
421860	-24,183	-10,004	0	113	0	N	N
421900	13,192	44,785	0	361	42,212	N	N
442107	0	234,687	0	1,458	119,299	N	N
442107	0	234,687	0	1,458	119,299	N	N
462198	0	17,781	0	398	0	N	N
472227	3,031	34,413	5,591	421	0	N	N
613005	0	0	0	-1	0	N	N
613005	0	0	0	-1	0	N	N

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Land & Support Facilities</u>	<u>Central Office Equipment</u>	<u>Cable & Wire Facilities</u>	<u>Tangible Assets</u>	<u>Intangible Assets</u>	<u>Materials & Supplies</u>
100020	1,202,625	5,369,369	5,270,199	0	0	3,126
100022	4,687,429	6,366,735	8,769,018	0	0	171,965
120043	847,116	1,702,229	1,932,610	0	0	45,778
120043	847,116	1,702,229	1,932,610	0	0	45,778
170161	66,021,937	246,407,237	292,283,629	2,541,552	0	3,046,475
170193	22,577,676	72,542,833	76,870,617	0	500	1,444,115
170204	981,534	2,537,708	4,736,705	0	68	74,405
170215	342,458	981,821	640,747	0	79,361	5,892
190238	883,672	2,469,391	4,876,408	0	467	27,933
190243	1,841,205	2,511,581	2,791,991	0	1,452	28,558
190248	3,352,738	5,060,810	10,201,197	0	0	235,922
200258	295,496	1,404,271	1,888,659	0	0	0
230503	4,702,665	10,503,639	23,576,540	0	0	589,275
250283	4,978,314	9,532,038	12,461,827	277,517	0	174,051
250322	1,793,143	4,783,996	7,785,641	0	19,500	146,863
290553	14,829,611	44,803,305	52,588,361	0	0	1,272,250
290554	5,816,525	8,980,384	23,583,661	222,456	3,693	755,806
290559	2,678,977	25,097,181	23,533,508	545,601	2,792,919	77,621
290565	7,539,800	20,538,438	40,139,391	0	2,422	924,435
300586	502,404	1,439,171	2,435,975	0	262	5,285
300588	966,800	972,267	1,278,968	0	0	17,898
300589	416,636	499,846	2,408,188	0	0	0
300594	5,013,643	15,839,307	14,168,502	0	0	154,126
300609	1,200,719	3,388,736	3,325,645	0	0	45,082
300664	391,378	1,275,597	1,082,969	0	0	38,601
310688	721,846	5,122,968	1,771,003	66,830	0	256,359
310694	508,157	1,285,872	1,876,086	0	0	25,566
310735	526,187	334,118	1,254,875	0	0	73,336
320778	856,584	2,263,687	3,771,623	0	394,315	28,724
320790	798,967	2,725,262	2,806,374	0	7,004	15,458
320829	3,110,062	3,214,704	4,635,123	58,456	603,454	66,994
330847	44,319	621,915	1,497,911	0	0	0
330872	700,560	1,625,541	2,052,043	0	0	29,618
330892	2,096,754	2,344,151	3,599,606	0	438	45,774
330900	1,259,093	4,322,962	7,042,700	0	0	35,943
330914	1,159,087	6,907,834	9,912,803	0	1,143,368	44,451
330949	1,022,252	2,191,570	2,379,835	0	0	92,927
330955	2,541,913	6,702,136	9,937,712	0	42,186	49,813
330968	834,727	5,659,051	7,759,347	267,538	936,927	143,543
340976	4,992,645	2,768,295	6,120,519	0	8,844	372,910
340983	152,688	1,678,028	1,579,385	0	0	0
340993	535,855	558,708	775,257	0	0	3,070
341021	83,767	382,057	30,983	0	0	3,097
341029	126,832	1,498,075	1,388,400	0	0	0
341053	3,367,661	3,377,051	6,221,278	0	0	151,940
341062	775,391	888,822	1,045,269	0	273	17,684
341075	523,660	888,937	902,180	0	0	38,916
351097	101,852	651,371	232,334	0	392	3,852

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Rural Telephone Bank Stock</u>	<u>Other Telephone Plant</u>	<u>Other Non-Current Assets</u>	<u>Cash Working Capital</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Amortization</u>
100020	0	353,393	0	134,532	6,958,663	0
100022	0	45,115	0	181,872	12,466,788	0
120043	53,045	0	0	52,678	2,582,598	0
120043	53,045	0	0	52,678	2,582,598	0
170161	0	10,120,809	0	3,327,518	350,764,425	364,240
170193	0	2,364,425	0	1,404,760	105,930,697	0
170204	72,100	80,928	42,136	61,620	3,323,791	0
170215	0	0	0	44,104	1,028,740	77,552
190238	89,132	0	0	33,313	3,897,308	0
190243	510,423	52,001	0	47,090	3,891,851	1,452
190248	76,000	1,708,093	0	160,997	10,066,401	0
200258	0	0	0	32,772	2,211,465	0
230503	0	668,186	0	171,184	21,073,060	0
250283	819,223	58,337	0	176,225	16,972,491	102,439
250322	0	2,836,069	0	107,805	6,668,162	14,355
290553	344,229	2,486,364	0	591,797	62,050,121	0
290554	426,400	833,834	0	220,022	17,790,255	102,199
290559	284,300	385,826	0	352,549	25,645,207	3,045,653
290565	0	4,094,652	0	417,869	35,856,979	2,185
300586	0	787	0	24,200	2,781,037	0
300588	0	32,679	103	22,576	1,309,704	0
300589	0	67,154	0	21,950	825,363	0
300594	0	0	0	198,644	20,999,498	0
300609	0	0	0	101,277	4,536,309	0
300664	0	0	0	22,430	1,585,471	0
310688	3,000	180,820	0	33,876	4,221,214	7,553
310694	0	0	0	21,850	736,059	0
310735	0	0	0	40,863	1,419,741	0
320778	0	63,137	0	44,333	5,403,508	394,315
320790	0	0	0	41,850	2,944,564	0
320829	0	5,587	0	102,911	3,605,315	454,935
330847	30,800	67,007	0	17,395	1,109,133	0
330872	13,200	1,905	0	28,512	2,649,941	0
330892	4,900	3,601	0	45,511	4,194,348	0
330900	0	118,304	0	69,119	6,898,566	0
330914	42,101	79,084	0	111,013	9,164,542	1,040,603
330949	115,700	0	0	52,031	3,854,528	0
330955	0	1,141,906	0	184,221	8,334,424	0
330968	143,351	39,100	0	126,003	6,384,849	1,061,354
340976	127,000	532,697	0	129,552	10,106,977	0
340983	0	0	121,862	43,155	2,466,687	0
340993	0	0	0	19,068	985,392	0
341021	0	0	0	3,531	195,688	0
341029	0	0	478,906	51,665	2,397,272	0
341053	177,490	2,581	273,802	90,522	6,790,938	0
341062	0	0	0	18,322	1,206,362	0
341075	0	0	0	19,053	1,181,183	0
351097	0	0	0	12,619	646,504	275

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Net Deferred Operating Income Tax</u>	<u>Network Operations Expense</u>	<u>General Support Expense</u>	<u>Central Office Equipment Expense</u>	<u>Cable & Wire Facilities Expense</u>	<u>Other Property & Plant Expense</u>
100020	0	2,745	91,334	180,351	209,738	311
100022	0	0	117,118	248,252	385,454	5,183
120043	116,300	10,444	49,667	140,916	76,806	29,950
120043	116,300	10,444	49,667	140,916	76,806	29,950
170161	47,843,567	752,984	2,384,193	2,446,513	9,104,784	0
170193	10,031,561	92,095	1,045,752	2,629,374	1,862,104	320,511
170204	764,654	0	33,358	75,818	111,253	0
170215	263,671	0	88,447	118,834	74,233	0
190238	833,813	495	41,362	100,726	65,158	0
190243	0	7,916	39,066	92,785	174,168	0
190248	0	62,375	249,360	355,710	426,558	40,130
200258	0	0	6,051	47,637	207,302	0
230503	0	0	210,269	340,506	719,015	1,164
250283	0	3,520	190,786	315,397	602,874	0
250322	0	463	156,615	192,278	150,779	0
290553	0	352,291	716,665	2,099,983	2,135,628	128,294
290554	0	0	379,905	365,598	1,067,667	0
290559	1,999,842	25,135	204,371	341,695	611,465	1
290565	0	24,263	771,444	1,027,667	1,921,681	54,693
300586	0	0	29,990	57,979	13,580	888
300588	135,063	2,499	18,596	81,140	45,484	0
300589	0	0	12,279	37,610	36,059	0
300594	1,436,096	1,208	364,589	322,079	474,402	0
300609	365,445	6,584	96,235	87,680	240,099	0
300664	0	17	12,584	45,576	36,349	0
310688	1,372,781	320	87,120	-192,539	68,811	1,537
310694	356,180	0	35,452	46,145	21,639	0
310735	44,107	3,491	36,669	268,722	54,559	0
320778	-133,078	2,374	8,924	80,631	114,691	0
320790	142,627	0	69,951	84,022	141,099	0
320829	1,081,693	11,418	61,828	108,967	242,259	0
330847	82,894	1,197	8,772	14,494	29,417	1,142
330872	147,969	2,346	11,967	53,563	42,836	2,673
330892	56,394	0	79,676	94,557	42,709	0
330900	339,064	585	45,115	198,896	135,826	1,823
330914	970,281	11,734	67,992	203,411	149,542	1
330949	101,759	0	27,633	173,988	156,969	0
330955	1,087,029	49,244	184,687	290,006	377,282	0
330968	904,979	11,103	122,003	150,245	202,942	0
340976	0	7,547	235,310	416,170	260,932	52,497
340983	-52,715	831	21,171	153,924	84,453	0
340993	148,818	6,104	23,442	69,451	52,846	0
341021	0	0	18,822	2,581	2,727	0
341029	0	4,943	23,002	138,368	102,842	0
341053	630,459	4,430	136,862	213,466	290,130	0
341062	171,752	0	14,948	68,734	47,037	0
341075	34,156	0	27,638	97,452	31,781	0
351097	43,033	0	9,467	11,928	31,672	0

APPENDIX C5
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2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Network Support Expense</u>	<u>Depreciation & Amortization Expense</u>	<u>Marketing Expense</u>	<u>Services Expense</u>	<u>Executive & Planning Expense</u>	<u>General Administrative Expense</u>
100020	233,224	763,819	26,451	378,122	0	860,482
100022	209,925	1,501,660	21,507	446,426	-793	1,243,276
120043	27,966	285,113	0	253,999	118,850	396,912
120043	27,966	285,113	0	253,999	118,850	396,912
170161	11,016,154	44,257,887	2,471,733	4,500,198	101,297	26,674,015
170193	3,742,090	14,679,923	3,621,925	2,643,852	1,936,600	8,165,706
170204	32,805	432,930	0	303,885	297,727	200,628
170215	12,739	107,855	2,632	194,172	102,681	358,951
190238	22,150	395,644	0	100,282	72,762	195,667
190243	71,568	368,831	1,205	269,946	185,618	163,550
190248	242,960	988,363	93,396	483,308	491,465	523,169
200258	0	330,200	8,063	73,342	0	213,090
230503	434,280	2,423,829	17,236	800,945	457,784	876,087
250283	155,709	1,891,125	149,000	631,558	301,664	902,460
250322	91,989	518,530	1,498	342,359	651,624	142,009
290553	1,594,867	8,242,560	408,541	3,010,583	439,642	1,321,091
290554	277,516	1,845,707	160,523	758,171	312,813	860,417
290559	1,122,318	4,119,352	475,213	1,939,689	445,424	2,083,383
290565	822,745	4,918,171	66,596	1,502,891	694,770	1,457,521
300586	1,443	261,122	7,143	170,776	5,528	156,819
300588	89,590	203,514	0	91,875	81,209	58,587
300589	59,636	154,834	4,416	50,712	170,218	105,257
300594	484,184	2,879,865	285,173	573,356	307,908	1,209,348
300609	134,303	654,340	8,132	579,542	582,318	423,068
300664	57,013	226,430	4,905	90,779	59,713	117,654
310688	99,466	548,906	5,884	175,758	165,124	233,105
310694	16,896	163,652	5,798	98,111	42,720	132,715
310735	63,228	154,411	5,355	97,875	139,441	188,342
320778	98,061	381,775	75,501	236,983	18,378	227,172
320790	143,434	255,606	0	215,875	84,963	189,434
320829	397,107	651,863	169,380	389,652	193,446	538,307
330847	24,107	134,747	540	113,004	41,380	81,531
330872	48,405	263,737	941	149,418	84,565	157,070
330892	77,131	490,152	880	180,191	73,335	149,415
330900	62,850	997,463	13,950	372,447	257,179	190,370
330914	315,059	1,120,192	157,623	516,194	119,304	594,447
330949	86,853	411,299	3,543	265,643	64,472	224,498
330955	551,292	1,179,554	29,377	846,692	802,408	498,227
330968	379,089	1,066,286	370,876	520,183	224,362	721,666
340976	95,897	893,045	207,392	391,835	149,922	1,087,612
340983	52,571	229,359	12,677	173,414	285,965	141,398
340993	0	81,510	0	98,574	79,045	84,706
341021	0	23,249	0	29,389	5,841	1,465
341029	42,529	138,401	10,668	166,830	580,942	173,777
341053	43,649	828,584	35,707	283,026	629,228	265,838
341062	18,703	134,499	0	116,725	39,820	63,402
341075	4,022	170,706	0	93,521	41,668	65,210
351097	6,879	80,904	0	85,389	81,987	50,908

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Contributions</u>	<u>Interest & Related Items</u>	<u>Patronage Dividends</u>	<u>Interest on Customer Deposits</u>	<u>Other Long Term Liabilities</u>	<u>Federal Income Tax</u>
100020	6,470	945,010	0	8,028	175,662	0
100022	9,606	1,336,288	0	11,353	0	0
120043	2,978	61,275	0	521	390,572	82,772
120043	2,978	61,275	0	521	390,572	82,772
170161	65,072	5,013,970	0	42,597	2,278,776	7,299,362
170193	65,072	3,386,176	0	28,767	8,009,268	158,790
170204	3,537	145,485	0	1,236	0	95,929
170215	2,288	20,766	0	176	0	67,111
190238	0	18,367	0	156	160,176	140,874
190243	0	62,842	309,915	534	0	30,932
190248	0	391,968	0	3,330	1,452,174	371,927
200258	2,004	170,029	0	1,444	0	0
230503	13,151	268,655	3,373,377	2,282	1,356,625	0
250283	11,425	0	0	0	0	718,200
250322	0	137,760	0	1,170	0	568,665
290553	0	441,380	3,945,820	3,750	-366,168	931,707
290554	0	775,652	333,846	6,590	2,126,797	0
290559	25,071	259,973	0	2,209	38,518	401,018
290565	0	974,455	3,795,119	8,279	1,439,860	0
300586	1,595	7,754	19,294	66	33,727	80,016
300588	0	1,686	0	14	0	45,542
300589	1,427	6,783	357,263	58	0	0
300594	15,575	14,334	0	122	688,419	255,272
300609	6,150	350	0	3	0	179,622
300664	0	22,501	12,191	191	0	53,848
310688	0	39,836	0	338	0	0
310694	0	0	0	0	0	62,273
310735	0	94,276	0	801	0	0
320778	2,811	57,740	0	491	16,769	59,685
320790	2,647	435	0	4	0	8,044
320829	6,187	287	0	2	57,171	198,404
330847	1,024	24,657	0	209	0	43,116
330872	1,856	47,248	0	401	0	23,158
330892	2,686	133,182	0	1,131	11,431	163,646
330900	5,258	96,248	0	818	0	0
330914	7,375	73,157	0	622	38,696	220,838
330949	3,171	35,257	0	300	0	122,885
330955	10,845	753	0	6	571,615	477,257
330968	8,256	162,019	0	1,376	30,441	11,204
340976	0	150,910	510,366	1,282	27,585	0
340983	2,457	2,626	0	22	125,622	102,610
340993	0	78	0	1	0	35,969
341021	0	0	0	0	0	18,340
341029	2,898	123	0	1	911,972	10,964
341053	5,881	66,988	0	569	0	153,466
341062	1,074	161	0	1	0	66,904
341075	1,139	108	0	1	0	89,896
351097	0	412	0	3	0	16,368

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>State Income Tax</u>	<u>Other Operating Taxes</u>	<u>Allowance For Funds Used During Construction</u>	<u>Federal Investment Tax Credit</u>	<u>Provision For Deferred Operating Income Tax</u>	<u>State Income Tax Indicator</u>	<u>Federal Income Tax Indicator</u>
100020	174,311	336,858	0	957	0	N	N
100022	85,263	400,119	0	1,431	0	N	N
120043	17,400	31,478	0	282	-22,900	N	N
120043	17,400	31,478	0	282	-22,900	N	N
170161	3,710,238	7,844,499	0	41,648	837,050	N	N
170193	2,121,608	4,538,870	0	9,796	0	N	N
170204	114,921	200,445	0	839	20,375	N	N
170215	0	32,342	0	114	-27,341	N	N
190238	27,622	51,960	0	653	27,733	N	N
190243	0	45,010	0	726	0	N	N
190248	0	118,175	62,041	1,723	0	N	N
200258	22,203	70,243	0	260	0	N	N
230503	0	0	33,915	3,328	0	N	N
250283	0	278,204	0	2,252	0	N	N
250322	0	184,019	0	2,015	0	Y	N
290553	0	805,595	0	10,327	0	N	N
290554	0	295,311	89,803	3,893	0	Y	Y
290559	280,434	608,019	54,634	4,134	426,464	N	N
290565	0	646,579	187,740	6,792	0	N	N
300586	0	56,576	0	297	0	N	N
300588	0	32,783	0	345	41,281	N	N
300589	11,283	50,592	0	485	0	N	N
300594	0	539,398	0	2,278	301,309	N	N
300609	0	125,876	0	578	2,971	N	N
300664	0	44,443	0	227	0	N	N
310688	21,191	139,074	0	477	321,839	N	N
310694	0	69,440	0	492	61,541	N	N
310735	0	41,443	0	137	24,701	N	N
320778	58,758	97,894	0	246	-28,540	N	N
320790	17,263	80,469	0	616	116,279	N	N
320829	46,509	191,760	227	1,114	85,615	N	N
330847	15,294	38,608	902	202	234	N	N
330872	34,046	68,901	0	307	20,170	N	N
330892	10,670	94,231	16,629	724	-713	N	N
330900	115,566	234,726	70,018	1,047	173,591	N	N
330914	127,777	267,402	2,669	1,310	58,670	N	N
330949	53,691	99,831	3,858	349	-37,320	N	N
330955	179,034	372,736	759	1,962	33,900	N	N
330968	72,374	174,266	13,514	1,222	168,749	N	N
340976	0	21,624	0	920	0	N	N
340983	16,418	18,249	0	188	-34,475	N	N
340993	10,231	13,625	0	140	1,958	N	N
341021	0	6,703	0	57	0	N	N
341029	0	2,145	0	35	0	Y	N
341053	48,181	78,167	0	1,162	100,948	N	N
341062	7,783	9,156	0	255	6,596	N	N
341075	10,490	12,119	0	215	-17,534	N	N
351097	2,733	11,988	0	57	0	N	N

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Land & Support Facilities</u>	<u>Central Office Equipment</u>	<u>Cable & Wire Facilities</u>	<u>Tangible Assets</u>	<u>Intangible Assets</u>	<u>Materials & Supplies</u>
351107	217,832	214,021	472,750	0	0	8,133
351126	79,354	243,164	420,104	0	0	0
351130	549,233	1,413,779	1,501,039	0	1,246	22,607
351172	4,164,263	4,578,508	5,419,129	0	0	104,062
351177	602,922	743,034	1,927,474	0	737	0
351187	1,222,244	1,715,543	1,525,538	0	0	10,310
351188	460,490	809,847	382,487	259,349	0	66,047
351241	238,958	1,006,628	604,034	0	480	9,806
351246	393,449	800,551	1,767,059	0	412	5,814
351263	1,016,707	1,649,906	2,178,728	0	817	43,582
351266	180,706	646,412	319,261	0	540	1,552
351274	93,706	1,274,988	1,459,100	0	0	0
351285	418,563	870,560	838,839	0	0	11,837
351292	422,242	732,952	521,720	0	1,582	3,746
351304	285,476	959,443	683,112	0	12,345	10,405
351309	465,574	677,305	852,535	0	16,828	19,371
351329	692,762	1,188,504	3,097,718	0	0	40,065
351337	4,327,842	13,588,051	9,260,124	0	1,424,016	623,631
361358	2,397,459	7,386,035	8,869,279	0	0	272,613
361396	789,441	3,563,692	4,937,091	0	0	33,265
361408	912,268	1,563,089	2,431,859	0	701	52,047
361448	301,639	913,901	2,847,828	0	0	40,439
361450	2,517,294	7,476,555	7,059,467	0	1,643,557	43,249
361474	290,203	606,568	874,484	0	0	12,440
361479	3,843,725	9,479,155	21,876,491	0	0	348,764
361482	6,053,619	15,162,117	22,822,830	0	0	1,881,786
361495	198,586	611,219	1,262,862	0	0	0
361499	1,825,821	2,816,276	3,686,096	0	0	27,228
361515	565,721	1,147,136	2,343,675	0	0	271
371530	487,640	2,642,535	2,889,747	9,206	0	11,513
371530	487,640	2,642,535	2,889,747	9,206	0	11,513
371563	326,985	892,030	1,531,158	0	0	0
371581	1,184,245	1,793,317	2,850,690	0	480	62,509
381615	2,086,941	2,273,282	3,087,690	0	0	134,130
381638	324,492	1,529,325	3,222,379	0	0	0
391677	1,768,286	8,085,596	10,128,900	0	532	140,069
391688	1,373,158	1,642,983	1,911,818	0	0	151,028
421860	114,921	306,046	582,039	0	0	0
421900	626,667	1,107,262	1,327,781	0	0	220,842
442107	2,016,244	8,044,376	6,094,424	0	124,017	144,265
442107	2,016,244	8,044,376	6,094,424	0	124,017	144,265
462198	569,907	1,602,298	1,823,203	28,584	0	43,517
472227	741,262	2,207,612	2,480,461	0	0	133,789
613005	1,895	47,691	5,000	0	0	0
613005	1,895	47,691	5,000	0	0	0

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Rural Telephone Bank Stock</u>	<u>Other Telephone Plant</u>	<u>Other Non-Current Assets</u>	<u>Cash Working Capital</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Amortization</u>
351107	0	0	0	10,266	401,392	0
351126	0	0	0	4,179	433,342	0
351130	0	144,563	0	20,684	1,971,802	1,246
351172	0	0	0	109,760	3,249,295	0
351177	0	0	0	33,152	2,196,856	0
351187	0	5,377	0	42,340	2,099,208	0
351188	0	0	0	20,204	1,348,512	0
351241	0	0	0	17,021	1,332,806	141
351246	0	293,433	0	17,597	1,365,401	0
351263	0	105,741	0	34,268	1,932,544	0
351266	0	0	0	7,867	759,719	0
351274	0	0	0	31,192	2,016,997	0
351285	0	0	0	21,592	1,217,259	0
351292	0	0	0	27,861	904,407	1,582
351304	0	0	0	17,206	1,349,335	2,096
351309	0	0	0	22,702	963,476	3,378
351329	26,834	0	0	26,567	2,719,424	0
351337	0	8,248,251	593,857	121,884	13,831,056	2,176,407
361358	0	0	0	132,930	11,859,653	0
361396	0	157,192	0	41,763	4,934,142	0
361408	59,697	0	0	49,736	2,870,929	0
361448	0	0	0	50,038	2,390,503	0
361450	52,094	445,923	0	116,200	9,618,074	330,853
361474	0	0	0	15,245	1,089,464	0
361479	34,795	0	0	244,729	18,220,163	0
361482	51,500	1,031	0	381,810	18,335,609	0
361495	0	0	0	23,552	1,138,931	0
361499	0	348,143	0	37,611	3,848,537	0
361515	0	101,623	0	38,628	1,632,947	0
371530	0	0	0	47,811	4,234,423	9,206
371530	0	0	0	47,811	4,234,423	9,206
371563	0	0	0	22,913	1,572,193	0
371581	108,969	0	0	55,144	3,801,271	0
381615	0	0	0	54,739	5,142,235	0
381638	0	0	0	28,375	3,200,702	0
391677	225,700	0	0	102,351	13,278,947	0
391688	0	180,873	0	36,374	3,783,496	11,645
421860	0	0	0	10,156	304,889	0
421900	17,241	49,026	0	37,876	1,229,579	0
442107	0	0	0	172,345	7,448,852	57,563
442107	0	0	0	172,345	7,448,852	57,563
462198	0	0	0	29,653	1,766,571	15,564
472227	0	236,763	0	25,048	3,655,727	0
613005	0	0	0	3,445	61,092	0
613005	0	0	0	3,445	61,092	0

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Net Deferred Operating Income Tax</u>	<u>Network Operations Expense</u>	<u>General Support Expense</u>	<u>Central Office Equipment Expense</u>	<u>Cable & Wire Facilities Expense</u>	<u>Other Property & Plant Expense</u>
351107	38,165	0	9,631	36,639	60,646	0
351126	25,000	945	4,956	5,027	14,395	0
351130	78,209	0	30,848	10,247	58,293	0
351172	1,414,099	0	77,089	349,462	255,774	0
351177	100,547	0	26,810	60,551	251,707	0
351187	0	1,654	56,599	64,444	157,863	0
351188	155,770	1,117	18,650	31,654	41,892	0
351241	112,722	0	8,250	64,189	63,471	29
351246	153,631	0	8,790	20,726	70,841	0
351263	461,602	8	31,802	117,123	109,966	0
351266	62,706	0	4,660	5,916	34,717	0
351274	34,708	3,215	55,761	93,253	130,820	1,681
351285	91,143	5,740	13,382	21,656	145,282	0
351292	0	3,076	9,669	33,435	90,380	0
351304	89,079	0	14,648	28,235	58,366	0
351309	0	0	22,535	29,640	37,322	0
351329	0	0	46,681	72,077	80,620	0
351337	0	0	140,229	457,888	238,550	0
361358	0	18,000	313,184	193,308	608,793	1,163
361396	0	9,518	55,863	75,514	124,578	0
361408	0	4,834	35,957	67,515	117,751	0
361448	197,338	421	36,466	93,354	296,500	3,408
361450	68,479	25,907	154,659	217,693	199,311	0
361474	68,065	20	3,214	15,812	80,781	0
361479	0	0	205,761	260,926	527,436	0
361482	0	28,334	317,302	833,481	773,663	40,866
361495	83,120	619	11,663	15,921	50,763	0
361499	0	878	115,011	51,142	144,671	1,420
361515	270,939	12,009	24,572	159,985	46,310	0
371530	0	18,200	32,392	51,504	189,000	58
371530	0	18,200	32,392	51,504	189,000	58
371563	132,275	37	15,653	38,188	50,967	916
371581	0	15,755	44,318	99,078	119,633	0
381615	60,217	18,003	98,563	59,241	81,999	0
381638	221,531	14,046	8,728	84,725	153,835	0
391677	869,378	22,660	55,017	198,930	379,351	376
391688	60,642	0	62,323	103,025	157,024	0
421860	-2,068	2,442	7,866	23,020	19,451	0
421900	261,533	0	23,134	112,280	252,602	0
442107	1,084,266	18,950	246,534	568,828	782,509	0
442107	1,084,266	18,950	246,534	568,828	782,509	0
462198	145,131	7,720	69,622	48,149	137,169	0
472227	0	482	18,316	93,473	110,052	0
613005	0	0	427	15,625	31,251	0
613005	0	0	427	15,625	31,251	0

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Network Support Expense</u>	<u>Depreciation & Amortization Expense</u>	<u>Marketing Expense</u>	<u>Services Expense</u>	<u>Executive & Planning Expense</u>	<u>General Administrative Expense</u>
351107	6,011	60,500	0	30,053	18,187	40,821
351126	11,583	42,174	1,965	10,326	2,004	17,473
351130	48,581	227,559	4,528	54,540	49,790	111,246
351172	68,945	846,869	217,960	271,234	137,745	287,992
351177	35,078	236,757	49,704	163,902	36,269	43,851
351187	55,711	318,484	50,892	157,476	91,701	195,472
351188	19,863	117,624	3,773	79,118	138,130	98,828
351241	35,342	97,347	0	97,024	44,016	42,661
351246	8,744	180,325	135	73,320	60,303	36,105
351263	14,824	311,160	3,082	126,812	90,032	97,471
351266	6,919	86,632	0	31,759	33,917	35,109
351274	63,518	189,676	13,042	151,088	12,675	78,998
351285	9,979	145,356	1,922	66,951	93,318	61,889
351292	10,557	107,822	696	63,037	328,536	41,973
351304	4,580	129,839	0	99,677	85,821	68,841
351309	7,870	158,007	2,381	58,399	53,228	108,414
351329	5,675	330,674	7,257	120,206	75,794	97,132
351337	160,084	2,250,955	11,453	515,926	349,318	564,251
361358	82,464	1,074,548	59,365	696,575	406,845	349,459
361396	54,270	506,324	0	202,353	169,961	230,693
361408	62,893	277,735	0	236,485	184,245	334,206
361448	85,658	327,098	33,863	184,950	218,304	163,627
361450	214,309	1,075,635	23,149	445,429	485,940	482,308
361474	2,914	99,016	0	84,796	43,256	85,469
361479	718,033	2,137,497	333,869	759,589	265,336	1,806,481
361482	385,778	3,174,557	183,166	1,851,370	1,813,359	614,077
361495	27,415	134,176	6,224	84,208	121,100	143,941
361499	95,655	523,712	29,388	132,597	101,185	204,750
361515	9,890	262,800	13,843	210,874	150,903	151,307
371530	166,886	364,581	26,433	124,984	124,879	290,115
371530	166,886	364,581	26,433	124,984	124,879	290,115
371563	27,766	219,961	13,781	111,606	99,980	122,835
371581	10,926	353,497	27,250	196,440	343,301	271,561
381615	55,454	535,025	0	148,221	504,522	165,904
381638	25,352	272,854	0	154,959	15,764	42,271
391677	196,535	1,342,837	17,167	368,089	214,112	269,715
391688	78,882	364,125	0	77,162	43,098	213,035
421860	5,689	31,665	285	24,357	9,488	105,486
421900	82,888	170,204	35,319	158,504	10,731	116,855
442107	309,220	1,192,376	10,751	902,003	475,210	397,278
442107	309,220	1,192,376	10,751	902,003	475,210	397,278
462198	15,023	216,951	100	171,081	64,804	83,520
472227	12,172	356,525	2,675	142,480	21,119	161,900
613005	0	6,303	0	21,452	11,719	3,350
613005	0	6,303	0	21,452	11,719	3,350

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>Contributions</u>	<u>Interest & Related Items</u>	<u>Patronage Dividends</u>	<u>Interest on Customer Deposits</u>	<u>Other Long Term Liabilities</u>	<u>Federal Income Tax</u>
351107	601	0	0	0	0	23,220
351126	287	0	0	0	0	6,507
351130	1,355	153	0	1	0	83,002
351172	5,532	709,556	0	6,028	94,250	163,160
351177	2,130	81	0	1	0	25,565
351187	0	155,314	76,128	1,319	0	19,013
351188	0	41,293	0	351	0	5,242
351241	1,043	202	0	2	0	13,085
351246	1,098	1	0	0	0	83,444
351263	2,111	350	0	3	0	135,348
351266	0	0	0	0	0	13,068
351274	1,985	16	0	0	0	0
351285	0	230	0	2	0	23,151
351292	1,543	3,714	0	32	0	44,702
351304	0	278	0	2	0	17,834
351309	1,010	227,764	0	1,935	0	0
351329	1,838	77,143	164,926	655	70,998	11,152
351337	10,349	216,504	2,592,773	1,839	944,259	0
361358	8,265	1,939	0	16	0	357,107
361396	0	78,118	783,357	664	0	0
361408	2,775	122,747	0	1,043	400,000	39,287
361448	3,057	84	0	1	0	83,582
361450	0	194,409	3,272	1,652	0	347,494
361474	883	27,707	0	235	0	20,142
361479	0	3,675	0	31	174,297	1,034,248
361482	21,186	1,454,577	0	12,357	0	882,911
361495	1,260	105,282	0	894	0	0
361499	0	35,490	0	302	0	0
361515	0	181	0	2	0	117,229
371530	0	13,270	0	113	0	101,189
371530	0	13,270	0	113	0	101,189
371563	1,616	0	0	0	0	5,129
371581	3,178	95,428	0	811	0	81,152
381615	0	66,967	0	569	0	98,145
381638	1,664	162,780	0	1,383	0	5,182
391677	6,941	317,137	0	2,694	0	198,611
391688	2,386	52,196	0	443	0	56,541
421860	486	31	0	0	0	46,515
421900	2,127	46,684	0	397	0	28,502
442107	10,804	0	0	0	0	222,844
442107	10,804	0	0	0	0	222,844
462198	1,755	33,105	0	281	0	66,285
472227	0	0	813,521	0	0	0
613005	0	0	0	0	0	0
613005	0	0	0	0	0	0

APPENDIX C5
2006 MODIFICATION OF AVERAGE SCHEDULES
2003 SAMPLE AVERAGE SCHEDULE COMPANY ACCOUNTING DATA FOR 2002

<u>Study Area Code</u>	<u>State</u> <u>Income Tax</u>	<u>Other</u> <u>Operating</u> <u>Taxes</u>	<u>Allowance</u> <u>For Funds</u> <u>Used During</u> <u>Construction</u>	<u>Federal</u> <u>Investment</u> <u>Tax Credit</u>	<u>Provision</u> <u>For Deferred</u> <u>Operating</u> <u>Income Tax</u>	<u>State Income</u> <u>Tax</u> <u>Indicator</u>	<u>Federal</u> <u>Income</u> <u>Tax</u> <u>Indicator</u>
351107	9,855	24,518	0	89	0	N	N
351126	19,743	26,444	0	54	0	N	N
351130	22,593	51,780	0	299	0	N	N
351172	51,984	124,069	0	1,797	0	N	N
351177	61,716	113,000	0	184	0	N	N
351187	-63	22,127	245	450	0	N	N
351188	2,034	11,640	0	90	0	N	N
351241	21,821	45,821	0	78	0	N	N
351246	39,984	65,447	0	329	0	N	N
351263	39,444	106,539	0	491	0	N	N
351266	12,174	25,304	0	62	0	N	N
351274	105,553	154,798	0	147	-1,094	N	N
351285	49,859	81,740	0	157	0	N	N
351292	0	48,006	0	146	0	Y	N
351304	22,349	40,291	0	94	0	N	N
351309	-15,858	2,724	0	198	0	N	N
351329	-8	41,392	10,250	426	0	N	N
351337	2,431	254,299	51,778	3,721	0	N	N
361358	125,942	145,013	0	1,335	0	N	N
361396	6,408	13,656	0	859	0	N	N
361408	0	2,954	0	330	0	N	N
361448	14,419	17,090	0	287	0	N	N
361450	5,314	33,846	0	1,432	0	N	N
361474	4,993	6,504	0	118	0	N	N
361479	0	36,428	0	3,249	0	N	N
361482	0	94,220	0	5,223	0	Y	N
361495	2,083	4,900	0	161	0	N	N
361499	0	1,793	0	918	0	Y	Y
361515	34,525	42,405	0	426	0	N	N
371530	0	24,034	0	340	0	Y	N
371530	0	24,034	0	340	0	Y	N
371563	51,143	70,504	0	198	19,743	N	N
371581	0	35,769	0	416	0	Y	N
381615	17,183	33,938	0	450	0	N	N
381638	12,773	21,110	0	313	0	N	N
391677	8,191	248,966	0	1,172	0	N	N
391688	0	41,105	0	265	0	N	N
421860	-8,023	2,364	0	132	0	N	N
421900	17,061	53,409	0	351	31,959	N	N
442107	0	258,138	0	1,457	157,222	N	N
442107	0	258,138	0	1,457	157,222	N	N
462198	907	24,279	0	405	28,878	N	N
472227	1,399	42,580	3,854	405	0	N	N
613005	0	0	0	-1	0	N	N
613005	0	0	0	-1	0	N	N

APPENDIX D1
2006 MODIFICATION OF AVERAGE SCHEDULES
SAMPLE AVERAGE SCHEDULE COMPANY DEMAND DATA

<u>Study Area Code</u>	<u>Access Lines</u>	<u>Traffic Sensitive</u> <u>Minutes of Use</u>	<u>Intertoll Dial</u> <u>Circuits</u>	<u>Circuit Miles</u>	<u>Normal Route</u> <u>Circuit Miles</u>	<u>Long Route</u> <u>Circuit Miles</u>
100020	7,081	1,427,834	412	3,857	3,857	0
100022	9,557	2,204,110	445	5,827	5,827	0
120042	532	65,468	0	51	51	0
120043	1,748	542,581	0	654	654	0
120043	1,748	542,581	0	654	654	0
150125	8,566	2,048,102	0	582	582	0
170161	327,558	54,181,486	5,701	774,706	774,706	0
170171	1,327	299,130	0	284	284	0
170193	73,006	18,743,341	2,487	69,468	69,468	0
170197	1,399	309,357	0	344	344	0
170204	3,083	553,469	185	1,297	1,297	0
170210	1,393	229,354	0	535	535	0
170215	968	255,510	0	128	128	0
190238	1,687	428,923	0	8,046	8,046	0
190243	2,938	588,852	0	1,008	1,008	0
190248	6,248	2,416,424	0	21,480	21,480	0
190250	25,021	6,393,570	1,582	29,548	29,548	0
190253	2,548	1,957,477	0	3,898	3,898	0
200258	1,510	765,651	0	761	761	0
220375	7,990	1,776,031	0	3,465	3,465	0
230491	120,711	29,952,182	985	37,946	37,946	0
230495	4,599	721,800	0	3,107	3,107	0
230496	10,237	1,413,051	0	34,300	34,300	0
230503	15,140	3,337,591	0	17,410	17,410	0
230511	30,989	6,150,587	0	64,295	64,295	0
240516	17,575	4,298,108	1,527	70,110	70,110	0
240546	16,741	4,880,607	0	30,622	30,622	0
250283	12,021	3,259,144	904	11,869	11,869	0
250312	7,453	2,254,339	0	7,202	7,202	0
250322	4,732	2,439,183	0	16,279	16,279	0
260398	28,344	7,546,969	0	20,937	20,937	0
260414	16,067	3,743,060	724	51,643	51,643	0
260419	8,084	1,934,854	399	130,429	130,429	0
270428	1,546	216,501	0	0	0	0
290553	35,722	6,990,703	0	106,595	106,595	0
290554	12,438	2,487,987	279	19,243	19,243	0
290559	23,161	8,269,396	0	4,035	4,035	0
290565	27,508	5,345,494	0	46,920	46,920	0
300586	1,345	288,937	0	2,334	2,334	0
300588	1,149	256,436	292	45,144	45,144	0
300589	763	155,617	0	2,734	2,734	0
300594	10,962	1,575,488	0	3,500	3,500	0
300604	1,814	262,598	0	366	366	0
300609	3,954	669,319	0	377	377	0
300664	1,183	143,504	0	119	119	0
310688	1,400	177,174	0	7,979	7,979	0
310694	702	179,326	0	42	42	0
310735	1,141	239,640	1,596	1,797	1,797	0
320750	2,419	427,432	0	347	347	0

APPENDIX D1
2006 MODIFICATION OF AVERAGE SCHEDULES
SAMPLE AVERAGE SCHEDULE COMPANY DEMAND DATA

<u>Study Area Code</u>	<u>Interstate Circuits</u>	<u>Switch Circuit Terminations</u>	<u>Adjusted Special Access Revenues</u>	<u>Number of Exchanges</u>	<u>Sample Weight</u>	<u>Data Collection Year</u>
100020	861	625	25,700	3	2.0000	2003
100022	553	539	18,139	3	5.8212	2003
120042	25	24	0	1	6.0000	2004
120043	156	152	3,453	1	1.0000	2003
120043	156	152	3,453	1	6.0000	2003
150125	183	178	15,077	2	2.0000	2004
170161	20,371	21,025	685,974	79	2.0000	2003
170171	71	69	5,248	1	5.0000	2004
170193	5,370	5,493	592,544	8	2.0000	2003
170197	61	59	0	1	2.0000	2004
170204	204	227	15,752	2	6.0877	2003
170210	86	84	3,579	1	2.0000	2004
170215	49	48	7,636	1	5.0000	2003
190238	348	186	2,386	5	6.5689	2003
190243	123	120	3,480	2	5.0000	2003
190248	719	701	9,779	6	2.0000	2003
190250	2,198	2,142	169,889	9	2.0000	2004
190253	193	173	17,060	1	2.0000	2004
200258	142	138	469	1	1.0000	2003
220375	495	482	56,766	3	2.0000	2004
230491	4,282	4,637	562,111	3	2.0000	2004
230495	310	302	10,175	1	5.2849	2004
230496	941	917	19,653	7	6.7369	2004
230503	778	761	3,398	6	5.1266	2003
230511	1,567	1,501	99,281	10	2.0000	2004
240516	2,259	2,604	87,187	3	2.0000	2004
240546	928	988	42,692	7	2.0000	2004
250283	1,727	1,728	96,219	3	2.0000	2003
250312	409	399	16,425	1	2.0000	2004
250322	491	478	3,466	4	2.0000	2003
260398	1,663	1,621	57,158	8	2.0000	2004
260414	1,745	999	15,221	7	3.0000	2004
260419	1,918	1,079	20,216	6	2.0000	2004
270428	149	145	7,542	1	2.5000	2004
290553	2,488	2,424	145,575	17	2.0000	2003
290554	1,133	854	18,397	5	3.0000	2003
290559	1,793	1,317	116,047	1	2.0000	2003
290565	1,005	979	35,600	10	2.0000	2003
300586	1,005	66	1,544	1	5.0000	2003
300588	604	153	1,496	1	5.0000	2003
300589	132	45	1,245	1	6.4861	2003
300594	244	144	0	2	2.0000	2003
300604	68	39	3,504	1	5.0000	2004
300609	214	171	0	1	2.0000	2003
300664	36	35	657	1	5.0000	2003
310688	1,537	742	64,844	1	2.0000	2003
310694	9	9	0	1	5.4678	2003
310735	987	941	1,400	1	6.6467	2003
320750	93	91	9,715	1	5.0000	2004

APPENDIX D1
2006 MODIFICATION OF AVERAGE SCHEDULES
SAMPLE AVERAGE SCHEDULE COMPANY DEMAND DATA

<u>Study Area Code</u>	<u>Access Lines</u>	<u>Traffic Sensitive</u> <u>Minutes of Use</u>	<u>Intertoll Dial</u> <u>Circuits</u>	<u>Circuit Miles</u>	<u>Normal Route</u> <u>Circuit Miles</u>	<u>Long Route</u> <u>Circuit Miles</u>
320771	732	119,083	0	4,811	4,811	0
320778	2,291	298,415	0	263	263	0
320790	1,685	488,821	0	770	770	0
320809	1,858	314,960	0	437	437	0
320829	5,123	725,670	0	8,491	8,491	0
320830	4,149	461,423	110	3,384	3,384	0
330842	7,326	1,964,522	90	53,588	53,588	0
330847	906	153,318	0	851	851	0
330850	3,480	572,359	0	29,304	29,304	0
330851	2,178	202,885	0	133	133	0
330872	1,898	397,670	0	1,309	1,309	0
330875	1,238	222,290	0	109	109	0
330879	3,400	984,176	0	19,043	15,281	3,762
330881	34,727	9,125,296	0	7,917	7,917	0
330892	1,770	302,296	0	1,858	1,858	0
330900	3,587	638,082	0	8,404	8,404	0
330914	6,467	859,549	0	1,949	1,949	0
330925	2,418	391,961	0	671	671	0
330944	9,455	2,909,633	425	111,013	111,013	0
330945	3,073	487,162	0	949	949	0
330949	2,848	641,360	0	15,647	15,647	0
330955	11,331	2,287,904	266	3,917	3,917	0
330968	7,814	1,286,462	0	1,635	1,635	0
330971	6,450	1,678,233	934	31,740	31,740	0
340976	4,350	1,040,945	355	28,349	28,349	0
340983	1,747	347,116	0	575	575	0
340990	530	76,075	0	66	66	0
340993	641	173,461	0	127	127	0
341017	1,315	135,249	0	212	212	0
341021	101	18,960	0	79	79	0
341029	1,516	260,622	0	288	288	0
341046	163	15,362	0	23	23	0
341053	4,179	817,861	0	1,052	1,052	0
341054	4,602	685,148	0	15,027	15,027	0
341062	630	166,432	0	412	412	0
341075	550	122,861	0	108	108	0
351097	371	40,644	0	25	25	0
351101	862	141,368	0	5,718	3,264	2,454
351107	340	68,747	0	3,498	2,210	1,288
351115	3,062	398,346	125	9,175	7,891	1,284
351126	203	62,421	0	34	34	0
351130	829	141,005	0	12,220	2,999	9,221
351141	776	154,489	0	5,774	2,767	3,007
351147	990	171,126	0	7,660	3,274	4,386
351157	712	115,525	18	6,879	3,972	2,907
351162	1,409	218,425	12	11,656	5,660	5,996
351169	467	134,671	0	9,022	3,074	5,948
351172	2,386	419,567	0	25,309	12,277	13,032
351173	2,564	374,603	0	23,209	8,982	14,227

APPENDIX D1
2006 MODIFICATION OF AVERAGE SCHEDULES
SAMPLE AVERAGE SCHEDULE COMPANY DEMAND DATA

<u>Study Area Code</u>	<u>Interstate Circuits</u>	<u>Switch Circuit Terminations</u>	<u>Adjusted Special Access Revenues</u>	<u>Number of Exchanges</u>	<u>Sample Weight</u>	<u>Data Collection Year</u>
320771	254	31	1,569	1	6.1880	2004
320778	55	54	2,386	1	5.0000	2003
320790	62	60	6,860	1	5.0000	2003
320809	73	60	8,806	3	6.0362	2004
320829	523	464	18,096	1	5.0000	2003
320830	151	207	11,795	4	6.0813	2004
330842	613	633	25,133	3	2.0000	2004
330847	66	0	1,833	1	6.4120	2003
330850	423	117	10,350	1	5.0000	2004
330851	30	29	3,694	1	5.0000	2004
330872	160	98	2,529	1	5.0000	2003
330875	28	0	4,285	1	5.0000	2004
330879	157	153	12,118	3	10.1332	2004
330881	1,628	1,586	263,087	2	2.0000	2004
330892	120	59	5,617	1	5.0000	2003
330900	394	129	64,767	2	6.6459	2003
330914	175	171	13,837	5	9.5063	2003
330925	96	94	3,217	1	5.0000	2004
330944	1,595	1,145	69,958	2	2.0000	2004
330945	113	110	4,344	2	5.6573	2004
330949	212	107	11,887	1	5.0000	2003
330955	664	647	23,704	1	2.0000	2003
330968	340	331	20,567	1	2.0000	2003
330971	3,742	1,727	57,379	6	5.0000	2004
340976	541	598	0	13	5.4681	2003
340983	96	94	2,481	2	6.8091	2003
340990	19	19	0	1	13.5833	2004
340993	29	28	962	1	6.1117	2003
341017	36	35	6,456	1	5.0000	2004
341021	9	9	0	1	5.0000	2003
341029	94	92	3,543	2	7.3648	2003
341046	10	10	102	1	5.0000	2004
341053	224	218	3,374	2	11.7730	2003
341054	348	283	6,976	13	9.3316	2004
341062	61	26	706	1	6.2227	2003
341075	30	29	664	1	6.7450	2003
351097	10	10	0	1	7.9086	2003
351101	34	65	1,685	1	6.3050	2004
351107	23	44	739	1	8.5981	2003
351115	81	158	1,133	4	7.1825	2004
351126	14	14	0	2	5.0000	2003
351130	31	60	1,413	1	5.7586	2003
351141	29	51	630	1	5.8047	2004
351147	34	58	1,305	1	5.0000	2004
351157	41	75	1,160	2	6.7895	2004
351162	58	113	3,186	2	7.7567	2004
351169	32	31	860	1	6.4353	2004
351172	126	186	2,507	4	8.0350	2003
351173	92	139	2,696	4	5.0000	2004

APPENDIX D1
2006 MODIFICATION OF AVERAGE SCHEDULES
SAMPLE AVERAGE SCHEDULE COMPANY DEMAND DATA

<u>Study Area Code</u>	<u>Access Lines</u>	<u>Traffic Sensitive</u> <u>Minutes of Use</u>	<u>Intertoll Dial</u> <u>Circuits</u>	<u>Circuit Miles</u>	<u>Normal Route</u> <u>Circuit Miles</u>	<u>Long Route</u> <u>Circuit Miles</u>
351177	1,689	747,604	0	26,187	13,003	13,184
351187	1,390	202,143	0	3,875	3,875	0
351188	572	105,470	73	10,914	3,910	7,004
351203	840	132,767	0	10,569	3,444	7,125
351205	1,782	400,185	0	5,158	5,158	0
351209	1,379	244,282	95	7,314	7,314	0
351213	623	347,869	0	59,690	28,098	31,593
351217	970	150,775	44	11,704	4,434	7,270
351225	1,953	289,190	0	24,650	14,753	9,897
351241	837	135,387	0	9,008	2,467	6,541
351245	446	94,651	0	3,869	3,317	552
351246	838	151,195	55	15,199	6,224	8,975
351248	2,286	282,096	0	13,623	6,694	6,929
351250	687	119,888	0	7,471	2,255	5,216
351263	1,921	326,220	0	6,117	4,166	1,951
351266	268	38,599	0	2,500	1,211	1,289
351274	1,805	1,239,159	0	118	118	0
351275	216	45,732	0	4,619	1,372	3,247
351276	1,321	132,788	0	208	208	0
351283	438	231,935	0	11,570	11,570	0
351285	1,081	216,325	28	14,793	7,057	7,736
351291	1,755	646,784	38	24,703	21,236	3,467
351292	233	145,508	103	23,428	8,540	14,888
351294	554	120,769	0	4,901	1,947	2,954
351298	14,009	2,596,261	0	70,244	43,378	26,866
351304	992	167,561	0	2,061	2,061	0
351308	389	78,403	0	2,950	1,472	1,478
351309	476	343,534	595	176,417	74,153	102,263
351320	623	177,947	0	39,914	9,924	29,990
351329	1,443	203,545	12	14,630	4,300	10,330
351335	359	78,535	0	2,316	1,185	1,131
351337	6,846	1,402,374	266	42,475	30,234	12,241
351344	1,058	216,766	0	8,134	8,134	0
361358	7,308	1,596,001	172	17,017	17,017	0
361362	8,837	2,941,354	0	31,520	31,520	0
361372	215	31,079	0	2,534	2,534	0
361384	282	43,334	0	100	100	0
361396	3,504	440,705	0	17,657	12,983	4,674
361408	2,015	354,326	0	1,115	1,115	0
361409	13,176	1,996,281	0	22,173	22,173	0
361423	910	148,720	0	7,802	7,281	522
361430	11,056	1,754,196	0	32,091	29,928	2,163
361448	1,995	361,039	0	8,284	8,282	2
361450	4,695	1,025,204	0	48,267	37,617	10,650
361474	584	109,539	0	2,334	2,334	0
361479	19,346	3,634,772	0	3,566	3,566	0
361482	16,899	2,480,818	46	13,164	13,164	0
361495	808	463,537	0	67,125	24,077	43,048
361499	2,609	383,366	0	11,459	5,881	5,578

APPENDIX D1
2006 MODIFICATION OF AVERAGE SCHEDULES
SAMPLE AVERAGE SCHEDULE COMPANY DEMAND DATA

<u>Study Area Code</u>	<u>Interstate Circuits</u>	<u>Switch Circuit Terminations</u>	<u>Adjusted Special Access Revenues</u>	<u>Number of Exchanges</u>	<u>Sample Weight</u>	<u>Data Collection Year</u>
351177	133	195	571	4	9.9110	2003
351187	62	103	4,628	2	8.9686	2003
351188	40	72	1,853	1	2.0000	2003
351203	35	65	3,415	1	5.3177	2004
351205	85	139	16,842	2	5.2789	2004
351209	85	166	6,276	3	5.0000	2004
351213	288	524	1,461	2	2.0000	2004
351217	45	89	3,222	3	5.5898	2004
351225	152	150	3,940	4	6.6460	2004
351241	26	44	1,335	1	5.8968	2003
351245	34	13	1,359	1	7.7631	2004
351246	64	99	536	2	6.2027	2003
351248	69	95	7,774	2	5.0890	2004
351250	24	45	3,992	1	6.8285	2004
351263	43	65	3,513	1	5.0000	2003
351266	12	22	236	1	10.6628	2003
351274	37	36	4,049	1	2.0000	2003
351275	14	24	0	1	10.4660	2004
351276	29	28	1,223	2	9.5589	2004
351283	123	207	2,145	1	2.0000	2004
351285	73	121	774	2	5.2999	2003
351291	218	233	917	4	2.0000	2004
351292	87	171	0	1	2.0000	2003
351294	19	34	1,151	1	8.9984	2004
351298	445	633	80,492	6	2.0000	2004
351304	38	75	4,520	1	5.0000	2003
351308	15	27	1,914	1	7.1857	2004
351309	761	385	0	1	2.0000	2003
351320	102	199	999	1	2.0000	2004
351329	44	86	2,959	1	5.3018	2003
351335	12	21	0	1	6.6660	2004
351337	310	527	29,620	16	3.0000	2003
351344	106	165	956	3	8.3915	2004
361358	275	315	0	7	2.0000	2003
361362	1,073	1,046	95,622	2	2.0000	2004
361372	862	12	1,488	1	6.5899	2004
361384	19	9	0	1	2.0000	2004
361396	133	183	3,181	4	5.3755	2003
361408	83	81	4,403	3	6.1064	2003
361409	245	350	68,494	1	2.0000	2004
361423	75	93	378	1	5.2144	2004
361430	307	392	48,328	8	5.4694	2004
361448	85	110	2,359	1	5.0000	2003
361450	386	527	7,695	6	10.2277	2003
361474	37	63	3,236	1	7.0418	2003
361479	599	584	31,527	3	2.0000	2003
361482	768	1,384	25,339	4	2.0000	2003
361495	247	368	267	2	2.0000	2003
361499	61	97	3,151	1	5.0000	2003

APPENDIX D1
2006 MODIFICATION OF AVERAGE SCHEDULES
SAMPLE AVERAGE SCHEDULE COMPANY DEMAND DATA

<u>Study Area Code</u>	<u>Access Lines</u>	<u>Traffic Sensitive</u> <u>Minutes of Use</u>	<u>Intertoll Dial</u> <u>Circuits</u>	<u>Circuit Miles</u>	<u>Normal Route</u> <u>Circuit Miles</u>	<u>Long Route</u> <u>Circuit Miles</u>
361500	38	7,877	0	0	0	0
361505	6,460	1,192,908	383	66,239	59,514	6,725
361507	1,802	229,441	0	469	469	0
361508	1,154	223,785	0	679	679	0
361515	2,239	379,792	0	630	630	0
371530	1,629	485,741	174	10,906	10,906	0
371530	1,629	485,741	174	10,906	10,906	0
371556	1,658	997,859	0	3,031	3,031	0
371562	1,310	281,077	0	8,720	8,720	0
371563	1,194	205,411	0	225	225	0
371565	687	145,671	0	941	941	0
371581	1,914	322,865	170	998	998	0
381615	2,035	522,515	87	7,150	7,150	0
381623	234	80,195	0	166	166	0
381625	5,341	1,155,351	0	122,061	54,090	67,971
381638	1,084	348,252	36	4,103	4,103	0
383303	42,101	10,780,387	696	122,627	122,627	0
391650	13,031	4,455,199	0	70,050	43,857	26,193
391650	13,031	4,455,199	0	70,050	43,857	26,193
391669	2,126	756,550	104	73,438	33,426	40,012
391669	2,126	756,550	104	73,438	33,426	40,012
391671	2,586	674,636	0	77,846	5,500	72,346
391677	5,934	1,324,851	185	100,670	100,670	0
391688	1,165	228,092	0	10,240	5,429	4,811
421860	365	92,500	0	64	64	0
421900	1,560	304,271	0	697	697	0
431704	1,421	418,629	0	68	68	0
442038	1,446	995,600	0	522	522	0
442043	885	120,199	0	228	228	0
442107	7,867	1,755,089	0	962	962	0
442107	7,867	1,755,089	0	962	962	0
462198	951	231,388	0	1,395	1,395	0
472227	1,629	512,387	0	3,812	3,812	0
532386	1,958	395,593	0	169	169	0
532399	7,712	2,194,636	373	6,488	6,488	0
613005	49	9,247	0	0	0	0
613005	49	9,247	0	0	0	0

APPENDIX D1
2006 MODIFICATION OF AVERAGE SCHEDULES
SAMPLE AVERAGE SCHEDULE COMPANY DEMAND DATA

<u>Study Area Code</u>	<u>Interstate Circuits</u>	<u>Switch Circuit Terminations</u>	<u>Adjusted Special Access Revenues</u>	<u>Number of Exchanges</u>	<u>Sample Weight</u>	<u>Data Collection Year</u>
361500	7	7	0	1	5.0000	2004
361505	611	896	8,980	18	3.0000	2004
361507	29	0	8,287	1	5.0000	2004
361508	30	29	2,482	1	6.0370	2004
361515	38	37	2,650	1	5.0000	2003
371530	159	217	10,589	5	1.0000	2003
371530	159	217	10,589	5	6.0000	2003
371556	159	155	6,887	1	1.0000	2004
371562	89	171	4,262	3	6.0000	2004
371563	51	50	4,328	2	6.0000	2003
371565	41	35	993	2	5.8051	2004
371581	97	133	3,977	2	2.5000	2003
381615	146	199	6,085	4	7.2498	2003
381623	34	26	594	1	2.0000	2004
381625	555	441	37,595	15	6.2064	2004
381638	169	165	2,963	3	9.7675	2003
383303	2,248	2,191	509,633	25	2.0000	2004
391650	451	717	23,541	1	1.0000	2004
391650	451	717	23,541	1	6.0000	2004
391669	343	367	2,693	6	1.0000	2004
391669	343	367	2,693	6	6.0000	2004
391671	56	55	65,090	1	2.5000	2004
391677	1,689	1,336	0	5	1.0000	2003
391688	55	83	600	3	6.0000	2003
421860	17	17	2,593	1	7.4311	2003
421900	81	79	0	4	5.0000	2003
431704	106	103	1,254	1	1.0000	2004
442038	60	49	0	1	1.0000	2004
442043	37	36	1,413	2	6.0000	2004
442107	338	329	24,287	1	1.0000	2003
442107	338	329	24,287	1	6.0000	2003
462198	103	100	1,466	1	2.6870	2003
472227	196	128	1,202	5	6.0000	2003
532386	57	56	9,851	1	5.0000	2004
532399	829	808	43,743	1	2.0000	2004
613005	4	4	0	1	2.5000	2003
613005	4	4	0	1	6.0000	2003

APPENDIX D2

2006 MODIFICATION OF AVERAGE SCHEDULES
COST COMPANY DEMAND DATA

<u>Sequence</u>	<u>Exchange</u>	<u>Access</u>	<u>CL</u>	<u>TS</u>	<u>Interstate</u>	<u>Host</u>	<u>Switched</u>	<u>Imputed</u>	<u>Adjusted</u>	<u>Data</u>	<u>Sample</u>	<u>TS</u>	<u>Special</u>
	<u>Count</u>	<u>Lines</u>	<u>Minutes of Use</u>	<u>Minutes of Use</u>	<u>Toll Circuit Miles</u>	<u>Remote Circuit Miles</u>		<u>Host Remote Circuits</u>	<u>Special Access Revenues</u>	<u>Collection Year</u>			
1001	1	2,953	563,320	563,734	343	0	343	116	0	88	6,250	2003	1
1002	1	1,189	369,600	369,845	1,059	0	1,059	163	0	82	2,767	2004	1
1003	1	855	238,905	239,068	147	0	147	147	0	43	2,012	2003	1
1004	4	10,857	3,238,784	3,241,000	4,138	358	4,496	880	60	283	27,664	2003	1
1005	4	8,326	2,058,915	2,060,466	2,443	1,207	3,650	454	79	169	29,569	2004	1
1006	1	1,625	644,791	645,212	671	421	671	186	70	41	554	2003	1
1007	9	21,210	6,928,390	6,933,370	122,926	18,454	141,379	2,395	429	664	110,180	2004	1
1008	3	4,146	910,685	911,325	895	111	1,006	197	13	133	12,203	2004	1
1009	2	1,974	262,236	262,399	532	476	1,008	145	60	64	2,997	2003	1
1010	11	29,032	6,420,421	6,424,498	15,334	22,080	37,414	1,564	570	545	99,680	2004	1
1011	1	11,664	1,614,097	1,615,134	372	0	372	320	0	192	32,630	2003	1
1012	1	3,131	621,972	622,402	2,157	1,114	2,157	139	64	54	12,699	2003	1
1013	2	4,597	781,341	781,833	389	233	622	112	33	43	6,982	2004	1
1014	4	6,920	1,193,461	1,194,295	985	1,360	2,344	263	131	93	25,199	2003	1
1015	2	3,731	587,874	588,284	1,013	0	1,013	214	0	120	5,631	2003	1
1016	3	7,191	1,643,277	1,644,426	1,317	1,190	2,507	299	70	125	37,990	2003	1
1017	2	2,779	672,196	672,754	3,332	1,319	4,651	333	81	136	11,462	2003	1
1018	1	1,750	466,123	466,468	101	1,743	1,845	125	71	49	12,346	2003	1
1019	4	10,818	2,646,448	2,648,265	0	1,273	1,273	68	68	0	46,921	2004	1
1020	3	4,889	1,309,110	1,310,015	4,859	0	4,859	144	0	60	11,378	2003	1
1021	6	11,175	1,992,141	1,993,597	12,404	9,374	21,778	607	139	237	18,009	2004	1
1022	2	6,642	1,569,226	1,570,330	757	574	1,331	370	103	103	12,319	2003	1
1023	3	7,058	1,274,321	1,275,233	6,848	3,405	10,253	447	150	123	13,258	2003	1
1024	1	15,441	3,624,278	3,626,651	16,039	0	16,039	1,003	0	654	111,292	2004	1
1025	1	1,082	266,678	266,678	814	0	814	99	0	45	471	2003	1
1026	1	9,986	1,364,937	1,365,981	1,911	595	2,506	280	77	150	34,687	2003	1
1027	1	5,141	1,383,053	1,384,031	2,810	0	2,810	275	0	200	18,391	2004	1
1028	2	4,141	771,801	772,293	4,169	355	4,524	241	10	172	14,287	2004	1
1029	7	10,339	2,132,101	2,133,528	4,184	0	4,184	485	0	254	29,149	2004	1
1030	1	1,501	448,267	448,572	532	0	532	62	0	24	895	2004	1
1031	3	18,639	6,566,476	6,571,039	19,504	2,726	22,229	1,936	285	550	57,158	2004	1
1032	2	3,774	1,115,950	1,116,719	2,816	313	3,130	243	26	91	7,114	2003	1
1033	5	7,362	2,299,634	2,301,281	23,521	38	23,559	691	13	425	8,384	2003	1
1034	7	16,609	3,596,173	3,598,699	8,585	12,629	21,214	895	331	348	55,318	2003	1
1035	4	8,640	1,722,603	1,723,727	22,369	2,995	25,363	364	67	216	14,902	2003	1
1036	16	28,780	5,754,528	5,758,511	6,975	3,203	10,178	1,299	167	491	142,914	2004	1
1037	4	2,661	648,352	648,787	2,120	0	2,120	202	0	173	531	2004	1
1038	4	3,270	642,378	642,826	4,005	278	4,283	311	33	163	5,677	2004	1
1039	1	1,087	230,406	230,560	101	0	101	58	0	29	76	2003	1
1040	1	773	201,638	201,773	174	210	384	62	21	55	445	2003	1
1041	5	10,247	2,482,353	2,484,116	16,188	1,296	17,484	547	52	169	6,383	2004	1
1042	10	20,786	4,585,580	4,588,989	40,821	0	40,821	405	0	229	65,738	2003	1

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COST COMPANY DEMAND DATA

Sequence	Exchange Count	Access Lines	CL	TS	Interstate	Host	Circuit Miles	Circuit Miles	Switched Terminations	Imputed	Imputed ITD	Adjusted	Data Collection Year	Sample Weight	TS Participant	Special Access Indicator
			Minutes of Use	Minutes of Use	Toll Circuit Miles	Remote Circuit Miles				Host Remote Circuits		Special Access Revenues				
1043	10	22,363	4,953,493	4,956,987	19,255	5,344	24,599	897	206	346	29,345	2003	5.36	1	1	
1044	3	5,449	1,035,576	1,036,219	533	179	712	133	29	68	13,372	2004	11.72	1	1	
1045	9	7,277	1,396,502	1,397,422	9,120	0	9,120	415	0	196	14,973	2003	7.68	1	1	
1046	1	1,683	299,412	299,604	121	147	267	53	17	31	10,780	2003	6.39	1	1	
1047	1	2,038	254,146	254,286	1,157	0	1,157	96	0	96	3,170	2003	8.51	1	1	
1048	4	3,874	837,988	838,602	375	119	494	149	15	117	4,284	2003	8.82	1	1	
1049	18	7,150	1,569,452	1,570,489	1,922	0	1,922	274	0	244	6,409	2004	5.00	1	1	
1050	3	8,452	1,641,041	1,642,165	3,322	2,389	5,711	538	146	184	8,112	2004	7.29	1	1	
1051	5	13,987	4,868,802	4,872,264	9,728	1,579	11,307	1,734	155	762	35,133	2003	2.00	1	1	
1052	6	6,869	1,204,714	1,205,631	7,356	443	7,799	191	12	108	29,847	2003	5.00	1	1	
1053	3	4,679	1,741,238	1,742,455	18,618	0	18,618	480	0	248	22,105	2003	2.00	1	1	
1054	4	4,247	783,841	784,423	1,592	0	1,592	0	0	54	9,326	2003	7.23	1	1	
1055	2	2,805	651,039	651,481	12,176	277	12,453	109	24	33	12,713	2004	7.40	1	1	
1056	3	2,368	659,834	660,283	15,974	1,937	17,911	132	46	48	10,242	2004	8.01	1	1	
1057	4	30,216	6,423,877	6,428,550	10,226	1,194	11,419	1,235	187	468	86,343	2004	3.00	1	1	
1058	6	6,597	1,402,197	1,403,189	0	3,536	3,536	236	101	74	60,844	2004	5.00	1	1	
1059	5	4,344	610,356	610,795	2,430	3,108	5,538	116	42	61	13,121	2004	5.00	1	1	
1060	1	7,096	1,418,670	1,419,655	41,788	0	41,788	181	0	97	35,852	2003	5.00	1	1	
1061	3	1,656	232,266	232,435	1,600	184	1,784	72	21	46	10,955	2004	9.35	1	1	
1062	1	696	228,138	228,318	2,529	0	2,529	70	0	33	2,860	2003	2.00	1	1	
1063	1	569	147,793	147,905	2,349	0	2,349	119	0	49	498	2004	2.00	1	1	
1064	15	8,706	2,219,856	2,221,473	15,923	10,349	26,272	309	117	213	47,159	2003	5.00	1	1	
1065	12	18,991	3,578,734	3,581,074	48,700	24,166	72,866	806	248	340	45,635	2003	4.00	1	1	
1066	24	16,034	2,943,278	2,945,293	25,863	26,538	52,401	739	303	309	39,944	2003	4.00	1	1	
1067	12	11,025	2,097,451	2,098,906	46,465	11,501	57,966	651	142	286	20,098	2003	5.88	1	1	
1068	5	1,295	301,720	301,932	5,283	2,989	8,271	77	42	22	2,434	2003	17.60	1	1	
1069	1	2,853	565,308	565,718	405	0	405	67	0	34	6,468	2004	6.03	1	1	
1070	4	889	199,787	199,929	717	468	1,184	55	28	19	5,280	2004	14.55	1	1	
1071	2	641	165,244	165,354	224	186	224	75	14	34	2,649	2003	5.00	1	1	
1072	1	1,106	216,599	216,756	397	0	397	79	0	35	6,885	2003	12.96	1	1	
1073	2	1,103	279,816	280,018	440	0	440	34	0	18	7,925	2004	5.00	1	1	
1074	18	8,240	2,350,818	2,352,472	8,043	31,178	39,221	685	280	148	47,608	2004	5.76	1	1	
1075	29	11,766	3,090,967	3,093,187	77,613	42,707	120,320	838	226	232	63,410	2004	5.33	1	1	
1076	5	7,170	2,054,765	2,055,608	12,685	0	12,685	463	0	246	120,511	2003	5.00	1	1	
1077	14	6,608	1,760,731	1,761,992	17,976	9,326	27,302	465	189	157	21,251	2004	5.00	1	1	
1078	2	765	140,717	140,820	1,540	786	2,326	59	12	30	6,698	2004	11.73	1	1	
1079	25	13,581	3,237,105	3,239,332	86,099	6,359	92,457	1,277	42	649	51,331	2004	4.00	1	1	
1080	8	3,993	1,306,519	1,307,525	13,001	7,834	20,835	326	127	74	11,891	2003	2.00	1	1	
1081	6	8,029	2,980,577	2,982,769	1,174	3,937	5,111	329	156	175	23,620	2003	2.00	1	1	
1082	3	1,045	165,177	165,290	555	181	737	52	17	25	5,643	2004	5.00	1	1	
1083	1	119	48,013	48,045	122	301	424	23	15	5	0	2003	2.00	1	0	
1084	10	3,072	1,549,271	1,550,352	195	0	195	124	0	118	10,726	2004	2.00	1	1	

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COST COMPANY DEMAND DATA

Sequence	Exchange Count	Access Lines	CL	TS	Interstate	Host	Circuit Miles	Circuit Miles	Switched Terminations	Imputed	Imputed ITD	Adjusted	Data Collection Year	Sample Weight	TS Participant	Special Access Indicator
			Minutes of Use	Minutes of Use	Toll Circuit Miles	Remote Circuit Miles				Host Remote Circuits		Special Access Revenues				
1085	1	2,157	385,495	385,785	91	0	91	73	0	34	10,880	2004	8.30	1	1	
1086	6	1,485	347,481	347,726	3,840	3,118	3,840	208	49	97	13,671	2003	5.00	1	1	
1087	1	1,640	677,430	678,007	6,007	0	6,007	121	0	46	25,498	2003	2.00	1	1	
1088	18	6,077	1,213,040	1,213,904	347	29,193	347	419	187	165	27,365	2004	5.30	1	1	
1089	2	337	83,356	83,387	6,831	220	7,050	97	7	49	606	2004	2.50	1	1	
1090	3	2,780	3,922,403	3,924,709	16,914	3,395	20,309	432	81	208	27,990	2004	2.00	1	1	
1091	15	15,609	4,402,975	4,405,998	159,126	17,457	176,583	51,126	305	22,710	141,423	2004	3.00	1	1	
1092	31	14,418	4,400,134	4,403,324	18,224	0	18,224	1,408	0	824	50,514	2004	4.00	1	1	
1093	29	11,164	3,082,174	3,084,174	765,354	0	765,354	34,085	0	15,527	92,138	2003	3.00	1	1	
1094	9	3,081	597,663	598,090	2,502	4,633	7,135	231	62	100	14,265	2003	7.61	1	1	
1095	8	1,418	493,581	493,871	228	728	956	165	53	49	8,149	2003	2.00	1	1	
1096	2	2,530	1,032,633	1,033,338	0	1,548	1,548	88	88	0	7,352	2003	2.00	1	1	
1097	2	1,934	597,925	598,317	0	1,276	1,276	57	57	0	2,353	2003	10.59	1	1	
1098	2	2,753	726,347	726,850	0	596	0	58	58	0	5,443	2004	5.00	1	1	
1099	32	14,692	3,409,291	3,411,757	60,763	22,165	82,928	908	339	364	71,877	2004	5.24	1	1	
1100	2	1,582	657,718	658,169	1,408	506	1,408	132	34	46	3,216	2003	2.00	1	1	
1101	3	4,154	1,326,264	1,327,181	2,334	0	2,334	158	0	78	20,973	2004	6.85	1	1	
1102	12	4,185	770,890	771,479	1,919	3,099	1,919	352	103	166	17,304	2004	5.00	1	1	
1103	4	4,777	969,332	970,022	3,742	3,153	3,742	486	94	194	15,377	2004	5.00	1	1	
1104	10	1,287	302,608	302,819	11,686	0	11,686	147	0	75	8,182	2004	10.23	1	1	
1105	3	1,721	528,338	528,739	7,661	0	7,661	755	0	281	1,387	2003	2.00	1	1	
1106	2	1,207	358,537	358,796	191	109	301	70	24	29	2,172	2004	2.00	1	1	
1107	10	5,148	1,714,176	1,715,291	6,274	3,081	9,356	530	140	203	5,177	2004	2.00	1	1	
1108	9	8,959	2,367,202	2,368,815	4,086	0	4,086	682	0	658	33,433	2004	2.00	1	1	
1109	10	8,310	1,356,672	1,357,621	19,860	7,527	27,387	381	106	115	10,360	2003	5.50	1	1	
1110	2	4,322	939,880	940,522	2,061	1,515	2,061	179	69	75	9,118	2004	10.18	1	1	
1111	6	3,539	629,804	630,226	4,451	1,373	5,823	542	57	303	4,229	2003	10.40	1	1	
1112	9	3,384	1,145,950	1,146,772	19,570	0	19,570	880	0	535	2,805	2004	7.65	1	1	
1113	22	16,867	6,698,704	6,703,548	643,300	62,543	643,300	6,841	424	2,061	135,264	2003	2.00	1	1	
1114	5	6,655	2,218,218	2,219,759	21,597	0	21,597	1,603	0	830	12,162	2003	2.00	1	1	
1115	76	54,045	11,482,066	11,490,333	116,881	55,333	172,214	3,974	969	1,846	172,331	2004	4.00	1	1	
1116	1	289	90,736	90,796	126	0	126	23	0	12	241	2003	19.91	1	1	
1117	14	5,871	1,189,527	1,190,342	12,019	8,004	20,024	525	75	298	59,262	2003	6.00	1	1	
1118	10	5,907	728,119	728,638	3,173	2,598	5,772	177	85	63	23,700	2003	5.99	1	1	
1119	16	4,669	700,163	700,669	14,508	9,094	23,601	350	132	137	46,924	2004	6.74	1	1	
1120	6	2,434	341,974	342,233	3,056	1,173	4,229	177	51	114	1,504	2004	8.79	1	1	
1121	1	873	190,216	190,355	425	0	425	107	0	83	11,292	2004	6.29	1	1	
1122	11	6,954	1,403,361	1,404,352	14,404	1,127	15,532	709	48	351	46,824	2004	5.93	1	1	
1123	3	3,165	409,474	409,794	611	0	611	91	0	57	14,468	2004	8.32	1	1	
1124	1	7,150	1,472,331	1,473,385	1,843	0	1,843	279	0	108	0	2004	5.00	1	0	
1125	1	12,964	2,931,462	2,933,500	5,622	0	5,622	448	0	199	57,677	2004	6.20	1	1	
1126	13	13,459	2,767,214	2,769,326	0	8,616	0	264	264	0	14,275	2003	5.50	1	1	

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<u>Sequence</u>	<u>Exchange</u> <u>Count</u>	<u>Access</u> <u>Lines</u>	<u>CL</u> <u>Minutes</u> <u>of Use</u>	<u>TS</u> <u>Minutes</u> <u>of Use</u>	<u>Interstate</u> <u>Toll</u> <u>Circuit</u> <u>Miles</u>	<u>Host</u> <u>Remote</u> <u>Circuit</u> <u>Miles</u>	<u>Circuit</u> <u>Miles</u>	<u>Switched</u> <u>Terminations</u>	<u>Imputed</u> <u>Host</u> <u>Remote</u> <u>Circuits</u>	<u>Imputed</u> <u>ITD</u>	<u>Adjusted</u> <u>Special</u> <u>Access</u> <u>Revenues</u>	<u>Data</u> <u>Collection</u> <u>Year</u>	<u>Sample</u> <u>Weight</u>	<u>TS</u> <u>Participant</u>	<u>Special</u> <u>Access</u> <u>Indicator</u>
1127	6	4,625	637,635	638,087	18,401	3,900	22,301	300	65	168	23,382	2004	5.97	1	1
1128	16	5,481	756,912	757,427	4,019	21,314	25,334	475	115	245	10,076	2003	9.14	1	1
1129	17	6,620	862,302	862,923	15,432	36,550	51,982	510	217	219	77,168	2004	5.50	1	1
1130	10	3,218	453,528	453,853	810	1,317	2,127	156	67	61	7,330	2003	9.52	1	1
1131	10	7,896	2,518,792	2,520,651	11,677	3,572	15,249	700	46	296	71,287	2004	2.00	1	1
1132	1	190	40,856	40,889	55	0	55	28	0	14	1,562	2004	2.00	1	1
1133	3	1,011	426,779	427,084	858	343	1,201	160	42	36	3,179	2004	2.00	1	1
1134	7	4,989	1,794,235	1,795,563	0	0	0	262	0	97	41,761	2004	2.00	1	1
1135	1	533	161,643	161,755	0	0	0	0	0	19	3,983	2004	2.00	1	1
1136	1	674	174,275	174,393	0	0	0	0	0	14	1,897	2004	14.85	1	1
1137	7	1,552	360,926	361,195	0	1,849	0	60	60	0	19,072	2003	5.00	1	1
1138	2	1,508	515,390	515,768	0	1,133	0	32	32	54	2,613	2003	5.00	1	1
1139	5	2,049	674,225	674,672	16,006	2,406	18,412	251	63	71	22,442	2004	2.00	1	1
1140	7	627	128,249	128,324	805	0	805	62	0	28	579	2004	5.00	1	1
1141	5	5,006	2,166,764	2,168,307	8,311	0	8,311	589	0	162	28,540	2004	2.00	1	1
1142	2	2,099	867,294	867,892	5,699	0	5,699	173	0	59	14,584	2003	2.00	1	1
1143	27	10,896	3,910,339	3,913,054	143,496	31,087	174,583	1,570	371	548	72,338	2003	2.00	1	1
1144	11	5,898	1,638,586	1,639,767	2,440	2,470	4,910	331	110	100	20,088	2004	5.02	1	1
1145	11	4,699	1,449,048	1,450,045	506	7,418	7,924	360	161	101	18,270	2003	2.00	1	1
1146	26	19,758	5,809,563	5,813,577	11	19,052	19,063	2,008	304	838	84,955	2003	4.00	1	1
1147	9	8,854	3,334,539	3,336,701	0	28,958	28,958	295	295	0	61,355	2004	2.00	1	1
1148	3	1,354	542,434	542,828	2,440	3,328	2,440	144	54	35	9,962	2003	2.00	1	1
1149	2	755	291,696	291,895	3,350	863	4,213	64	13	22	20,538	2004	2.00	1	1
1150	24	11,863	3,636,718	3,639,208	291,555	52,999	344,555	2,804	395	868	206,263	2004	4.00	1	1
1151	4	2,525	824,674	825,224	11,499	2,076	13,575	275	59	124	3,707	2003	6.87	1	1
1152	9	6,900	2,818,677	2,820,635	23,752	25,957	49,710	499	234	112	55,936	2004	2.00	1	1
1153	6	3,560	1,144,007	1,144,816	11,111	10,639	21,751	328	148	74	17,851	2003	2.00	1	1
1154	6	3,858	919,841	920,470	7,353	1,183	8,536	261	66	91	24,627	2004	6.33	1	1
1155	11	16,734	3,918,785	3,921,531	25,720	1,263	26,983	663	66	283	355,324	2003	4.00	1	1
1156	1	944	176,230	176,337	0	87	0	57	9	18	2,506	2004	11.84	1	1
1157	20	19,400	6,278,830	6,283,289	109,602	1,072	110,674	927	26	347	110,161	2004	2.00	1	1
1158	1	338	216,945	217,132	1	655	656	28	28	0	1,948	2004	2.00	1	1
1159	4	2,276	823,447	823,982	3,687	326	4,013	126	9	41	9,537	2003	2.00	1	1
1160	4	3,097	1,205,748	1,206,602	25,277	0	25,277	515	0	160	18,069	2004	2.00	1	1
1161	1	25,072	4,488,378	4,491,637	22,557	0	22,557	578	0	245	122,848	2003	3.00	1	1
1162	4	2,559	965,091	965,733	721	0	721	179	0	92	8,612	2004	2.00	1	1
1163	2	3,815	528,267	528,635	1,756	0	1,756	176	0	107	5,461	2003	5.00	1	1
1164	2	253	92,152	92,208	372	0	372	19	0	7	414	2004	5.00	1	1
1165	1	11,487	2,526,590	2,528,381	18,689	672	19,361	581	101	172	67,658	2003	3.00	1	1
1166	10	9,119	2,150,406	2,151,949	5,384	1,555	6,938	463	106	122	28,265	2003	5.00	1	1
1167	2	333	81,964	82,020	639	0	639	39	0	18	2,125	2003	5.00	1	1
1168	1	220	76,743	76,789	0	95	95	12	12	0	369	2003	2.00	1	1

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<u>Sequence</u>	<u>Exchange</u> <u>Count</u>	<u>Access</u> <u>Lines</u>	<u>CL</u> <u>Minutes</u> <u>of Use</u>	<u>TS</u> <u>Minutes</u> <u>of Use</u>	<u>Interstate</u> <u>Toll</u> <u>Circuit</u> <u>Miles</u>	<u>Host</u> <u>Remote</u> <u>Circuit</u> <u>Miles</u>	<u>Circuit</u> <u>Miles</u>	<u>Switched</u> <u>Terminations</u>	<u>Imputed</u> <u>Host</u> <u>Remote</u> <u>Circuits</u>	<u>Imputed</u> <u>ITD</u>	<u>Adjusted</u> <u>Special</u> <u>Access</u> <u>Revenues</u>	<u>Data</u> <u>Collection</u> <u>Year</u>	<u>Sample</u> <u>Weight</u>	<u>TS</u> <u>Participant</u>	<u>Special</u> <u>Access</u> <u>Indicator</u>
1169	1	984	239,180	239,349	105	0	105	36	0	17	1,715	2004	8.11	1	1
1170	1	546	193,573	193,707	744	0	744	36	0	14	1,354	2003	2.00	1	1
1171	5	1,809	594,384	594,785	5,178	1,826	7,003	134	53	36	10,443	2004	9.43	1	1
1172	4	703	348,990	349,237	12,341	414	12,755	167	26	47	6,208	2003	2.00	1	1
1173	1	1,859	491,212	491,548	432	0	432	78	0	34	6,451	2003	7.99	1	1
1174	3	1,201	166,298	166,417	462	0	462	39	0	45	1,808	2003	5.00	1	1
1175	5	12,812	1,775,068	1,776,391	976	254	1,230	209	44	180	21,717	2003	5.00	1	1
1176	1	6,246	809,703	810,260	1,598	222	1,820	188	12	151	18,779	2004	5.00	1	1
1177	3	23,130	3,335,948	3,338,214	112,007	8,561	120,568	506	148	346	87,246	2003	5.00	1	1
1178	4	11,207	1,574,479	1,575,591	1,145	0	1,145	231	0	245	24,542	2003	5.18	1	1
1179	1	676	302,653	302,867	0	1,734	1,734	35	35	0	13,741	2003	2.00	1	1
1180	3	970	334,848	335,090	1,002	0	1,002	52	0	48	2,722	2004	2.00	1	1
1181	2	13,850	4,588,771	4,592,027	38,543	774	39,317	710	99	215	133,094	2003	2.00	1	1
1182	3	9,147	3,012,138	3,014,441	0	389	389	344	32	105	55,453	2003	2.00	1	1
1183	6	1,042	415,661	415,952	3,088	2,010	5,098	118	39	32	3,436	2004	2.00	1	1
1184	9	5,836	2,408,320	2,410,035	401	0	401	402	0	190	28,193	2003	2.00	1	1
1185	3	192	46,513	46,541	6	0	6	12	0	7	2,180	2003	5.00	1	1
1186	1	2,051	612,701	613,093	684	0	684	95	0	38	10,006	2004	6.86	1	1
1187	1	35,779	10,176,336	10,182,655	1,257	0	1,257	1,534	0	553	169,889	2003	3.00	1	1
1188	11	8,794	4,022,452	4,025,017	1,567	0	1,567	704	0	234	66,813	2003	2.00	1	1
1189	13	4,448	1,242,929	1,243,808	203	0	203	271	0	108	21,341	2003	5.00	1	1
1190	20	11,926	3,338,238	3,340,226	732	309	1,042	581	23	222	48,595	2004	5.00	1	1
1191	12	3,497	1,242,394	1,243,266	0	0	0	281	0	125	42,534	2004	2.00	1	1
1192	3	580	145,229	145,325	40	0	40	53	0	24	3,463	2004	5.00	1	1
1193	3	242	89,520	89,571	11	0	11	6	0	3	1,806	2003	2.00	1	1

APPENDIX D3
2006 MODIFICATION OF AVERAGE SCHEDULES
AVERAGE SCHEDULE HIGH TRAFFIC VOLUME STUDY AREA DEMAND DATA

<u>Study Area Code</u>	<u>Data Collection</u> <u>Year</u>	<u>Access Lines</u>	<u>Traffic Sensitive</u> <u>Minutes of Use</u>	<u>Intertoll Dial</u> <u>Circuits</u>	<u>Adjusted Special</u> <u>Access Revenues</u>
100020	2002	7,294	2,061,326	190	25,700
120043	2001	1,793	658,512	0	1,422
120043	2001	1,793	658,512	0	1,422
170171	2003	1,346	374,671	0	5,248
170193	2002	79,261	22,902,493	1,971	592,544
170210	2003	1,419	533,296	0	3,579
190248	2003	6,316	2,211,298	0	12,490
190253	2003	2,597	1,204,001	0	17,060
200258	2003	1,590	649,445	0	726
250312	2002	7,867	2,641,021	0	12,742
250322	2003	4,686	2,063,965	0	5,323
290559	2001	26,046	9,285,864	0	85,046
320790	2003	1,877	530,121	0	6,686
330879	2003	3,348	986,465	0	12,118
330944	2002	10,032	2,969,077	427	53,385
340993	2001	685	214,129	0	894
341046	2002	165	54,098	0	0
341075	2001	596	168,375	0	649
351126	2001	220	76,373	0	0
351188	2002	588	231,390	0	1,853
351274	2002	1,832	1,070,591	0	4,049
351283	2001	471	412,430	0	243
351291	2003	1,766	620,772	37	917
351292	2003	648	780,673	35	0
351309	2003	472	419,066	0	0
351320	2001	619	295,808	0	51
361362	2003	8,969	3,312,547	0	95,622
361372	2003	222	62,509	0	1,488
361450	2001	4,854	1,432,604	0	6,130
361495	2001	859	1,171,946	0	108
371530	2002	1,667	576,130	175	10,589
371530	2002	1,667	576,130	175	10,589
371556	2002	1,647	1,046,372	0	4,000
381615	2001	2,139	600,471	86	3,519
381623	2002	235	223,694	0	324
381638	2001	1,108	373,075	40	1,879
391671	2001	2,647	786,257	0	49,169
411791	2003	414	243,563	0	0
442038	2003	1,503	957,008	0	0
472227	2003	1,640	522,413	0	2,347
613005	2001	40	14,036	0	0
613005	2001	40	14,036	0	0

APPENDIX D3
2006 MODIFICATION OF AVERAGE SCHEDULES
AVERAGE SCHEDULE HIGH TRAFFIC VOLUME STUDY AREA DEMAND DATA

<u>Study Area Code</u>	<u>Circuit Miles</u>	<u>Normal Route Circuit Miles</u>	<u>Long Route Circuit Miles</u>	<u>Interstate Circuits</u>	<u>Switch Circuit Terminations</u>	<u>Number of Exchanges</u>
100020	2,716	2,716	0	602	680	3
120043	512	512	0	120	120	1
120043	512	512	0	120	120	1
170171	349	349	0	88	88	1
170193	80,874	80,874	0	5,635	5,923	8
170210	533	533	0	84	84	1
190248	18,994	18,994	0	620	620	6
190253	3,898	3,898	0	188	173	1
200258	669	669	0	115	115	1
250312	4,887	4,887	0	415	415	1
250322	16,270	16,270	0	477	477	4
290559	2,049	2,049	0	887	887	1
320790	312	312	0	60	60	1
330879	18,820	15,026	3,794	150	150	3
330944	97,131	97,131	0	1,606	1,218	2
340993	105	105	0	23	23	1
341046	24	24	0	11	11	1
341075	108	108	0	29	29	1
351126	34	34	0	14	14	2
351188	9,180	3,236	5,944	32	59	1
351274	243	243	0	74	74	1
351283	10,692	9,660	1,032	97	175	1
351291	24,703	21,238	3,465	212	233	4
351292	18,354	8,468	9,886	85	170	1
351309	10,133	8,795	1,338	88	164	1
351320	14,008	7,996	6,012	80	160	1
361362	31,520	31,520	0	1,046	1,046	2
361372	2,454	2,454	0	827	12	1
361450	49,233	37,974	11,259	380	534	6
361495	67,125	24,077	43,048	241	368	2
371530	10,906	10,906	0	155	217	5
371530	10,906	10,906	0	155	217	5
371556	2,719	2,719	0	139	139	1
381615	7,188	7,188	0	143	200	4
381623	166	166	0	33	33	1
381638	4,103	4,103	0	165	165	3
391671	63,729	5,500	58,229	55	55	1
411791	19	19	0	38	38	1
442038	458	458	0	51	51	1
472227	29,251	16,859	12,392	169	169	5
613005	0	0	0	3	3	1
613005	0	0	0	3	3	1

APPENDIX D4
2006 MODIFICATIONS OF AVERAGE SCHEDULES
AVERAGE SCHEDULE ACCESS MINUTES OF USE ECONOMETRIC MODEL DATA

<u>Date</u>	<u>Sample TS MOU Actual</u>	<u>Real Price Index</u>	<u>Real Income (In Billions)</u>	<u>Real Cellular Price</u>	<u>Employment (In 1000s)</u>
199901	352,194,147	0.35095	3,967	0.59770	127,525
199902	356,525,396	0.34147	3,975	0.59941	127,773
199903	351,840,265	0.34582	3,975	0.59973	128,048
199904	351,988,812	0.35378	3,972	0.59980	128,343
199905	350,662,008	0.34929	3,972	0.60072	128,618
199906	356,137,684	0.35039	3,976	0.60104	128,861
199907	353,955,584	0.32930	3,977	0.60556	129,073
199908	380,952,321	0.33244	3,980	0.59270	129,316
199909	376,070,705	0.33074	3,998	0.58946	129,618
199910	368,997,951	0.32401	4,016	0.58283	129,954
199911	368,537,324	0.31428	4,033	0.57606	130,256
199912	370,749,001	0.31781	4,062	0.56825	130,516
200001	382,889,631	0.31877	4,101	0.56256	130,761
200002	390,748,476	0.30737	4,129	0.55602	131,020
200003	376,939,479	0.31508	4,134	0.55399	131,278
200004	385,802,571	0.30749	4,130	0.54690	131,594
200005	376,568,694	0.29914	4,135	0.55365	131,852
200006	372,262,646	0.30593	4,146	0.54441	131,936
200007	388,273,158	0.30206	4,164	0.54488	131,962
200008	403,078,507	0.30088	4,175	0.53457	132,046
200009	392,504,758	0.29850	4,173	0.53791	132,133
200010	388,807,211	0.29296	4,166	0.52655	132,227
200011	382,938,583	0.28574	4,164	0.51554	132,314
200012	384,183,497	0.28465	4,166	0.51505	132,380
200101	409,846,150	0.27753	4,174	0.49322	132,500
200102	387,808,904	0.27293	4,176	0.51269	132,566
200103	388,395,601	0.27229	4,168	0.50627	132,446
200104	395,841,107	0.26843	4,142	0.50249	132,265
200105	382,755,022	0.26584	4,134	0.50458	132,145
200106	382,694,022	0.26078	4,171	0.50308	132,019
200107	387,724,562	0.25676	4,241	0.50168	131,942
200108	397,993,456	0.26082	4,278	0.50130	131,816
200109	396,605,233	0.26177	4,261	0.50096	131,534
200110	392,494,596	0.24165	4,209	0.50503	131,153
200111	376,091,274	0.24192	4,192	0.50525	130,872
200112	373,992,196	0.23203	4,227	0.50296	130,732
200201	391,231,300	0.22063	4,287	0.50122	130,610
200202	379,719,398	0.21526	4,322	0.49781	130,471
200203	380,798,429	0.21201	4,330	0.49480	130,419
200204	392,916,778	0.20738	4,335	0.49420	130,388
200205	378,935,089	0.21006	4,343	0.49623	130,337
200206	379,568,429	0.20853	4,336	0.50815	130,313
200207	384,836,272	0.20281	4,322	0.51021	130,291
200208	397,808,765	0.20543	4,315	0.50711	130,267
200209	400,700,616	0.20250	4,313	0.50735	130,263

APPENDIX D4
2006 MODIFICATIONS OF AVERAGE SCHEDULES
AVERAGE SCHEDULE ACCESS MINUTES OF USE ECONOMETRIC MODEL DATA

<u>Date</u>	Sample TS MOU <u>Actual</u>	Real Price <u>Index</u>	Real Income <u>(In Billions)</u>	Real Cellular Price	Employment <u>(In 1000s)</u>
200210	391,764,414	0.17769	4,311	0.51229	130,283
200211	384,425,697	0.18983	4,309	0.50976	130,279
200212	381,403,887	0.18623	4,311	0.50911	130,223
200301	393,964,319	0.18016	4,312	0.50383	130,158
200302	395,176,960	0.19280	4,314	0.49340	130,102
200303	372,919,473	0.19045	4,331	0.49379	130,019
200304	381,677,488	0.18746	4,348	0.49658	129,895
200305	371,726,705	0.19020	4,365	0.49643	129,812
200306	391,859,926	0.18890	4,391	0.49717	129,827
200307	385,640,927	0.18771	4,428	0.49692	129,849
200308	391,966,394	0.18931	4,455	0.49548	129,864
200309	397,891,712	0.18514	4,461	0.49783	129,957
200310	384,010,459	0.18168	4,460	0.49427	130,065
200311	378,890,348	0.17627	4,466	0.49391	130,157
200312	389,139,054	0.17092	4,473	0.49288	130,282
200401	396,123,641	0.17401	4,480	0.49046	130,371
200402	397,650,929	0.16969	4,487	0.48623	130,495
200403	390,576,708	0.17066	4,492	0.48340	130,757
200404	384,810,644	0.16784	4,496	0.48494	131,106
200405	377,891,090	0.16561	4,501	0.48002	131,367
200406	393,889,801	0.16598	4,511	0.47937	131,502
200407	388,449,564	0.16365	4,516	0.48039	131,578
200408	409,456,824	0.16419	4,525	0.47710	131,714
200409	403,024,050	0.16164	4,551	0.47044	131,901
200410	384,471,751	0.15933	4,590	0.46438	132,117
200411	388,665,307	0.15750	4,616	0.45989	132,304
200412	391,898,032	0.15531	4,620	0.45510	132,461
200501	404,358,298	0.15675	4,616	0.44598	132,617

APPENDIX E

2006 MODIFICATION OF AVERAGE SCHEDULES IMPACTS OF PROPOSED FORMULAS FOR JULY 2006 USING 9/05 VIEW OF 7/05 SETTLEMENTS DATA

Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
502283	37,520	214,973	252,493	38,714	191,229	229,943	-22,549	2,618	-8.61	-8.93%	8,827
351309	6,637	185,358	191,995	6,842	181,540	188,382	-3,613	489	-7.39	-1.88%	0
391671	29,099	91,090	120,189	27,642	78,991	106,633	-13,556	2,531	-5.36	-11.28%	8,188
170193	783,382	1,167,624	1,951,006	688,368	1,024,920	1,713,288	-237,718	72,012	-3.30	-12.18%	171,909
383303	474,764	828,046	1,302,810	432,881	742,001	1,174,882	-127,928	39,012	-3.28	-9.82%	86,138
190250	288,348	453,907	742,255	247,436	414,456	661,892	-80,363	25,105	-3.20	-10.83%	50,352
381614	33,025	108,238	141,263	34,234	100,254	134,488	-6,775	2,216	-3.06	-4.80%	1,401
330900	39,525	94,755	134,280	39,341	84,935	124,276	-10,004	3,350	-2.99	-7.45%	5,386
310688	15,676	57,709	73,384	16,338	53,021	69,359	-4,026	1,362	-2.96	-5.49%	2,953
190253	26,903	74,338	101,241	25,470	69,297	94,767	-6,474	2,309	-2.80	-6.39%	3,018
290553	409,788	454,100	863,888	346,685	433,075	779,760	-84,128	35,408	-2.38	-9.74%	40,617
351298	164,606	173,583	338,189	140,526	165,078	305,604	-32,585	14,029	-2.32	-9.64%	18,737
170162	634,665	537,621	1,172,287	555,156	486,309	1,041,466	-130,821	56,748	-2.31	-11.16%	84,595
170165	626,153	570,535	1,196,688	551,942	519,813	1,071,755	-124,933	56,509	-2.21	-10.44%	89,998
250283	149,164	288,647	437,811	144,337	268,158	412,495	-25,317	11,803	-2.14	-5.78%	26,393
361502	29,562	85,694	115,256	31,281	79,051	110,331	-4,925	2,396	-2.06	-4.27%	2,668
230511	344,721	311,506	656,227	296,461	299,686	596,147	-60,081	30,269	-1.98	-9.16%	35,191
351171	24,140	38,149	62,289	22,738	35,563	58,301	-3,988	2,020	-1.97	-6.40%	1,514
260414	185,652	273,442	459,094	158,030	269,653	427,683	-31,411	15,968	-1.97	-6.84%	15,681
300588	13,155	107,116	120,271	14,053	104,006	118,059	-2,213	1,138	-1.94	-1.84%	0
132454	204,812	405,348	610,160	206,443	356,213	562,656	-47,504	24,612	-1.93	-7.79%	36,966
290565	304,235	260,114	564,349	259,613	255,447	515,060	-49,289	27,186	-1.81	-8.73%	26,654
330967	44,565	99,429	143,994	42,954	93,895	136,849	-7,145	3,950	-1.81	-4.96%	4,591
220387	250,920	293,874	544,794	247,493	256,402	503,895	-40,899	22,815	-1.79	-7.51%	25,552
230501	402,059	401,475	803,533	344,579	398,068	742,646	-60,887	35,956	-1.69	-7.58%	36,514
240516	192,443	318,201	510,643	187,010	294,534	481,545	-29,099	17,402	-1.67	-5.70%	14,507
170161	3,500,139	2,661,152	6,161,290	3,032,858	2,609,213	5,642,071	-519,219	312,018	-1.66	-8.43%	317,737
330881	295,241	514,332	809,574	296,896	457,827	754,723	-54,851	33,029	-1.66	-6.78%	45,680
320818	354,945	0	354,945	302,892	0	302,892	-52,053	31,357	-1.66	-14.66%	30,667
240546	189,701	195,521	385,223	161,289	196,373	357,661	-27,561	16,638	-1.66	-7.15%	16,286
240536	162,053	154,178	316,232	137,565	154,910	292,475	-23,756	14,375	-1.65	-7.51%	14,128

APPENDIX E

2006 MODIFICATION OF AVERAGE SCHEDULES IMPACTS OF PROPOSED FORMULAS FOR JULY 2006 USING 9/05 VIEW OF 7/05 SETTLEMENTS DATA

Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
320827	21,559	48,651	70,210	20,969	46,368	67,337	-2,873	1,815	-1.58	-4.09%	628
290559	202,811	376,607	579,418	204,274	341,145	545,419	-33,998	22,524	-1.51	-5.87%	28,574
351297	34,815	183,437	218,252	36,189	178,452	214,642	-3,610	2,393	-1.51	-1.65%	0
170204	35,751	77,048	112,798	36,509	71,874	108,383	-4,415	3,010	-1.47	-3.91%	3,910
260398	306,551	254,782	561,333	264,333	258,273	522,606	-38,727	27,274	-1.42	-6.90%	26,511
330944	104,945	259,511	364,456	101,583	250,131	351,714	-12,742	9,206	-1.38	-3.50%	11,236
320792	33,775	66,744	100,519	32,277	64,277	96,553	-3,965	2,910	-1.36	-3.94%	425
170151	230,216	212,493	442,708	226,101	190,045	416,146	-26,563	21,194	-1.25	-6.00%	12,942
230503	169,860	119,421	289,281	144,611	126,306	270,917	-18,364	15,020	-1.22	-6.35%	14,661
170191	157,267	0	157,267	143,005	0	143,005	-14,262	12,730	-1.12	-9.07%	13,763
330949	32,137	57,443	89,581	30,646	56,051	86,698	-2,883	2,841	-1.01	-3.22%	1,490
230491	1,028,890	1,341,121	2,370,011	1,038,636	1,211,607	2,250,243	-119,767	118,217	-1.01	-5.05%	103,398
351125	69,068	103,604	172,673	66,006	100,975	166,981	-5,692	5,755	-0.99	-3.30%	4,190
371556	19,146	46,404	65,550	19,269	44,734	64,003	-1,547	1,604	-0.96	-2.36%	161
320750	27,245	35,572	62,817	25,809	34,827	60,636	-2,181	2,333	-0.93	-3.47%	894
351271	24,516	44,656	69,172	23,106	44,227	67,333	-1,838	2,087	-0.88	-2.66%	307
330850	38,773	62,549	101,322	37,214	61,072	98,286	-3,035	3,467	-0.88	-3.00%	591
351252	57,910	115,720	173,630	56,164	112,994	169,158	-4,472	5,200	-0.86	-2.58%	3,821
310669	62,061	59,894	121,955	60,331	57,436	117,767	-4,188	5,057	-0.83	-3.43%	3,579
320829	54,790	66,323	121,114	53,094	64,268	117,361	-3,752	4,744	-0.79	-3.10%	3,287
260408	74,634	183,360	257,994	70,371	182,611	252,982	-5,012	6,587	-0.76	-1.94%	2,843
220375	93,231	121,134	214,365	88,844	119,982	208,826	-5,539	7,730	-0.72	-2.58%	8,028
351332	46,341	89,643	135,984	43,676	89,580	133,257	-2,727	3,972	-0.69	-2.01%	1,373
351274	20,809	42,970	63,779	20,323	42,241	62,564	-1,215	1,788	-0.68	-1.90%	0
361409	125,444	126,191	251,635	124,193	119,099	243,293	-8,342	12,304	-0.68	-3.32%	9,251
351260	75,912	0	75,912	71,678	0	71,678	-4,233	6,311	-0.67	-5.58%	0
351336	22,443	30,664	53,107	21,410	30,440	51,850	-1,257	1,921	-0.65	-2.37%	126
351263	24,460	27,939	52,399	23,057	28,076	51,133	-1,266	2,033	-0.62	-2.42%	0
150112	55,483	55,854	111,337	52,605	55,877	108,482	-2,856	4,725	-0.60	-2.56%	1,295
482252	46,228	0	46,228	43,896	0	43,896	-2,332	3,901	-0.60	-5.05%	0
391649	18,652	34,318	52,970	19,077	33,045	52,122	-848	1,485	-0.57	-1.60%	670

APPENDIX E

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Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
532386	23,324	28,530	51,854	22,001	28,723	50,724	-1,130	1,984	-0.57	-2.18%	112
300589	10,250	42,382	52,631	11,072	41,136	52,208	-423	846	-0.50	-0.80%	0
170196	143,573	0	143,573	137,461	0	137,461	-6,111	12,734	-0.48	-4.26%	0
330943	44,388	51,574	95,962	43,006	51,272	94,278	-1,684	3,681	-0.46	-1.75%	432
351212	42,549	0	42,549	40,998	0	40,998	-1,551	3,402	-0.46	-3.65%	0
431968	22,272	37,272	59,544	21,472	37,294	58,766	-778	1,867	-0.42	-1.31%	436
341016	86,178	0	86,178	82,964	0	82,964	-3,213	7,826	-0.41	-3.73%	0
361479	208,412	134,914	343,326	202,789	132,708	335,497	-7,829	19,168	-0.41	-2.28%	2,484
320771	7,284	29,649	36,933	7,585	29,124	36,710	-224	548	-0.41	-0.61%	0
361482	188,384	108,178	296,562	181,762	107,688	289,449	-7,112	17,455	-0.41	-2.40%	308
361495	11,172	48,391	59,564	11,584	47,667	59,251	-313	816	-0.38	-0.52%	0
361448	22,857	33,002	55,859	21,453	33,669	55,122	-737	2,036	-0.36	-1.32%	0
391654	209,679	329,959	539,638	196,013	338,597	534,611	-5,027	14,226	-0.35	-0.93%	5,631
320777	33,077	32,109	65,186	31,589	32,613	64,202	-985	2,821	-0.35	-1.51%	332
341050	40,960	81,947	122,907	39,376	82,288	121,664	-1,243	3,700	-0.34	-1.01%	0
361507	20,152	24,768	44,920	20,108	24,264	44,372	-549	1,660	-0.33	-1.22%	261
170175	59,242	0	59,242	57,471	0	57,471	-1,771	5,432	-0.33	-2.99%	0
170156	61,925	0	61,925	60,130	0	60,130	-1,794	5,647	-0.32	-2.90%	0
230494	21,560	37,424	58,984	20,739	37,713	58,452	-532	1,872	-0.28	-0.90%	342
240541	25,984	45,771	71,755	24,556	46,603	71,159	-595	2,253	-0.26	-0.83%	357
190226	379,486	0	379,486	370,983	0	370,983	-8,503	34,845	-0.24	-2.24%	0
351205	21,007	48,496	69,502	22,700	46,382	69,082	-421	1,743	-0.24	-0.61%	1,255
330846	53,461	102,599	156,059	50,589	104,595	155,184	-875	4,665	-0.19	-0.56%	481
320790	19,274	46,743	66,017	19,417	46,311	65,728	-289	1,597	-0.18	-0.44%	0
100015	142,259	128,770	271,029	126,733	142,500	269,233	-1,795	11,937	-0.15	-0.66%	3,393
532399	85,360	147,114	232,474	83,347	148,570	231,918	-556	7,667	-0.07	-0.24%	482
230478	25,416	39,578	64,994	23,976	40,849	64,825	-169	2,370	-0.07	-0.26%	38
330968	88,754	76,488	165,243	86,727	78,023	164,750	-493	7,805	-0.06	-0.30%	1,517
361515	25,608	25,579	51,186	24,183	26,866	51,050	-137	2,230	-0.06	-0.27%	0
361425	19,537	37,516	57,053	19,536	37,442	56,977	-76	1,646	-0.05	-0.13%	0
230495	49,759	49,430	99,188	48,090	50,935	99,024	-164	4,489	-0.04	-0.17%	418

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Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
170145	34,795	35,629	70,424	33,275	37,050	70,325	-99	3,114	-0.03	-0.14%	70
351329	17,354	28,722	46,076	17,910	28,124	46,034	-42	1,422	-0.03	-0.09%	306
240515	59,330	68,108	127,438	57,574	69,767	127,340	-98	5,294	-0.02	-0.08%	0
330915	58,034	62,653	120,687	56,284	64,620	120,905	217	5,238	0.04	0.18%	0
330851	24,016	18,989	43,005	22,610	20,546	43,156	152	2,058	0.07	0.35%	0
361427	319,541	0	319,541	322,348	0	322,348	2,807	35,231	0.08	0.88%	0
330872	21,042	30,364	51,406	20,238	31,405	51,644	238	1,868	0.13	0.46%	0
280451	24,014	25,801	49,815	22,629	27,497	50,126	311	1,997	0.16	0.62%	0
361499	28,920	29,681	58,601	27,459	31,576	59,035	434	2,569	0.17	0.74%	0
170179	66,993	57,170	124,163	63,985	61,185	125,170	1,007	5,933	0.17	0.81%	532
170200	27,048	32,500	59,548	25,607	34,349	59,956	408	2,386	0.17	0.68%	0
330951	34,601	57,819	92,419	33,084	59,878	92,962	543	3,078	0.18	0.59%	0
351306	32,143	151,526	183,669	33,220	150,981	184,201	532	2,862	0.19	0.29%	0
391650	126,105	166,155	292,261	124,943	169,642	294,584	2,323	12,457	0.19	0.79%	0
220395	49,727	68,237	117,964	51,024	67,831	118,855	891	4,445	0.20	0.76%	687
150088	57,211	56,588	113,799	54,262	60,809	115,071	1,273	5,381	0.24	1.12%	0
150125	94,090	97,850	191,940	90,808	103,164	193,972	2,032	8,461	0.24	1.06%	0
300656	15,783	25,558	41,340	16,376	25,304	41,680	340	1,402	0.24	0.82%	0
320778	25,175	23,385	48,559	23,752	25,382	49,134	575	2,211	0.26	1.18%	0
330925	27,502	25,963	53,465	26,057	28,044	54,101	636	2,418	0.26	1.19%	0
260417	24,994	24,382	49,376	23,579	26,391	49,970	594	2,141	0.28	1.20%	0
361362	102,330	184,243	286,573	99,016	190,007	289,024	2,450	8,754	0.28	0.86%	4,237
361430	134,063	101,325	235,388	125,047	113,560	238,607	3,219	11,026	0.29	1.37%	0
100020	81,381	106,210	187,591	77,073	112,668	189,741	2,150	7,004	0.31	1.15%	0
300594	120,727	75,428	196,155	117,175	82,573	199,748	3,593	10,953	0.33	1.83%	0
361443	151,294	152,280	303,574	140,478	167,261	307,739	4,165	12,657	0.33	1.37%	0
330842	83,617	131,984	215,601	79,275	138,755	218,030	2,430	7,314	0.33	1.13%	0
351113	18,646	24,786	43,433	18,833	25,138	43,970	538	1,581	0.34	1.24%	0
361422	22,058	21,853	43,911	21,104	23,478	44,582	671	1,903	0.35	1.53%	0
330892	20,643	25,764	46,407	20,243	26,818	47,060	653	1,765	0.37	1.41%	0
391657	89,616	0	89,616	92,359	0	92,359	2,743	7,129	0.38	3.06%	0

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200258	17,633	38,847	56,480	18,078	38,985	57,063	582	1,476	0.39	1.03%	0
502282	36,404	58,182	94,587	37,055	58,792	95,847	1,260	3,055	0.41	1.33%	0
300664	11,232	20,877	32,110	12,077	20,398	32,475	365	869	0.42	1.14%	0
230496	121,462	106,264	227,725	112,122	119,889	232,011	4,285	10,172	0.42	1.88%	0
351209	18,659	0	18,659	19,280	0	19,280	621	1,370	0.45	3.33%	0
290554	143,600	139,476	283,076	136,338	152,523	288,861	5,786	12,429	0.47	2.04%	0
330880	79,063	85,108	164,171	79,465	87,769	167,234	3,062	6,447	0.47	1.87%	0
300634	35,746	36,734	72,481	34,216	39,830	74,046	1,565	3,211	0.49	2.16%	0
300609	43,291	30,148	73,439	41,687	33,651	75,338	1,899	3,887	0.49	2.59%	0
170210	16,411	25,402	41,812	17,038	25,459	42,497	684	1,383	0.49	1.64%	0
351177	23,930	0	23,930	24,756	0	24,756	825	1,654	0.50	3.45%	0
300604	20,786	20,655	41,441	20,367	21,984	42,351	910	1,770	0.51	2.19%	0
421932	18,239	24,296	42,535	18,661	24,668	43,329	794	1,486	0.53	1.87%	0
341053	47,421	45,407	92,828	44,607	50,493	95,100	2,272	4,136	0.55	2.45%	0
330865	19,805	27,901	47,706	19,648	29,024	48,672	966	1,695	0.57	2.03%	0
320839	13,554	35,457	49,010	14,428	35,325	49,753	743	1,178	0.63	1.52%	0
391664	58,865	0	58,865	61,370	0	61,370	2,506	3,916	0.64	4.26%	0
310675	59,969	0	59,969	63,193	0	63,193	3,224	5,021	0.64	5.38%	0
300654	9,682	26,697	36,380	10,440	26,450	36,890	510	789	0.65	1.40%	0
351326	9,443	24,016	33,459	10,169	23,788	33,957	498	765	0.65	1.49%	0
300618	45,491	46,198	91,688	43,862	50,505	94,367	2,679	4,115	0.65	2.92%	0
220389	77,623	69,913	147,536	73,335	78,745	152,080	4,544	6,819	0.67	3.08%	0
330856	41,328	52,721	94,049	39,512	57,096	96,608	2,559	3,785	0.68	2.72%	0
320751	28,291	69,410	97,702	29,940	69,448	99,388	1,686	2,475	0.68	1.73%	0
300614	10,518	25,961	36,479	11,366	25,726	37,092	613	873	0.70	1.68%	0
120043	20,946	34,015	54,962	20,636	35,564	56,199	1,237	1,740	0.71	2.25%	0
300625	19,331	24,525	43,856	19,515	25,472	44,987	1,131	1,582	0.71	2.58%	0
351278	13,713	0	13,713	14,575	0	14,575	862	1,194	0.72	6.29%	0
442107	84,914	92,157	177,071	82,883	99,943	182,827	5,756	7,833	0.73	3.25%	0
320834	34,713	47,324	82,037	33,304	51,506	84,810	2,773	3,749	0.74	3.38%	0
220364	81,207	124,939	206,146	79,217	132,234	211,451	5,305	7,164	0.74	2.57%	0

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300586	15,116	28,799	43,915	15,820	29,088	44,908	993	1,335	0.74	2.26%	0
351292	2,511	0	2,511	2,645	0	2,645	134	179	0.75	5.32%	0
351302	14,409	25,556	39,965	15,206	25,704	40,910	944	1,264	0.75	2.36%	0
330849	18,199	20,349	38,548	18,635	21,041	39,676	1,128	1,480	0.76	2.92%	0
300659	112,875	92,105	204,981	109,412	103,306	212,719	7,738	10,133	0.76	3.77%	0
190219	51,198	68,299	119,497	48,373	74,373	122,745	3,248	4,239	0.77	2.72%	0
330843	61,285	65,042	126,327	60,271	70,098	130,369	4,042	5,243	0.77	3.20%	0
100022	109,033	127,223	236,255	104,467	139,033	243,500	7,244	9,387	0.77	3.07%	0
351150	8,100	0	8,100	8,590	0	8,590	490	630	0.78	6.05%	0
260412	17,175	24,468	41,643	17,665	25,121	42,786	1,143	1,455	0.79	2.74%	151
320826	12,807	30,525	43,332	13,718	30,485	44,203	871	1,103	0.79	2.01%	0
260419	95,848	201,552	297,400	100,081	203,955	304,036	6,636	8,004	0.83	2.23%	0
220324	49,797	48,721	98,518	48,124	54,221	102,345	3,827	4,523	0.85	3.89%	0
310676	80,510	56,676	137,186	77,238	66,327	143,565	6,379	7,532	0.85	4.65%	0
391674	32,290	107,895	140,185	33,694	108,398	142,093	1,908	2,161	0.88	1.36%	0
502279	20,021	30,290	50,311	19,951	31,842	51,793	1,483	1,668	0.89	2.95%	0
300663	4,338	11,675	16,014	4,516	11,814	16,329	316	353	0.89	1.97%	0
270428	18,119	21,570	39,689	18,522	22,565	41,086	1,397	1,495	0.93	3.52%	0
351259	34,933	102,295	137,228	36,311	103,207	139,518	2,290	2,410	0.95	1.67%	0
351166	9,613	0	9,613	10,361	0	10,361	749	782	0.96	7.79%	0
330955	119,543	96,163	215,706	117,737	108,710	226,447	10,741	11,204	0.96	4.98%	0
391684	23,467	0	23,467	25,176	0	25,176	1,710	1,763	0.97	7.29%	0
361375	122,158	0	122,158	131,168	0	131,168	9,009	9,266	0.97	7.38%	0
522430	52,665	81,719	134,384	54,091	84,589	138,679	4,295	4,386	0.98	3.20%	0
351173	34,464	30,912	65,376	36,472	31,426	67,898	2,522	2,544	0.99	3.86%	0
150076	17,391	21,599	38,990	17,822	22,650	40,473	1,483	1,482	1.00	3.80%	0
170171	14,947	21,105	36,051	15,675	21,695	37,370	1,319	1,318	1.00	3.66%	0
351283	6,250	28,783	35,033	6,457	29,057	35,514	481	459	1.05	1.37%	0
391640	23,726	58,403	82,129	24,570	59,267	83,837	1,708	1,620	1.05	2.08%	0
351118	25,015	38,492	63,507	26,812	38,739	65,551	2,044	1,899	1.08	3.22%	0
250312	81,755	91,260	173,015	79,773	101,283	181,057	8,041	7,380	1.09	4.65%	0

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250322	57,303	111,380	168,682	60,818	113,116	173,934	5,252	4,683	1.12	3.11%	0
361358	91,217	168,068	259,285	97,660	170,047	267,707	8,422	7,325	1.15	3.25%	0
361487	18,320	17,851	36,172	18,285	19,797	38,082	1,911	1,657	1.15	5.28%	0
371581	21,902	38,588	60,490	23,663	38,965	62,628	2,138	1,833	1.17	3.53%	0
351304	12,669	23,081	35,750	13,581	23,323	36,904	1,154	987	1.17	3.23%	0
320756	14,297	30,467	44,763	15,196	30,957	46,153	1,389	1,134	1.23	3.10%	0
351225	28,165	40,010	68,174	28,988	41,552	70,540	2,365	1,927	1.23	3.47%	0
351202	9,244	23,311	32,556	9,941	23,539	33,480	924	745	1.24	2.84%	0
190243	34,629	35,845	70,474	35,579	38,553	74,132	3,658	2,924	1.25	5.19%	0
330938	106,820	70,700	177,520	101,076	88,142	189,219	11,699	9,334	1.25	6.59%	0
351405	31,441	89,638	121,079	32,739	90,986	123,725	2,646	2,096	1.26	2.19%	0
351112	14,824	47,127	61,950	15,423	47,902	63,325	1,375	1,077	1.28	2.22%	0
230497	38,366	31,892	70,258	38,333	36,142	74,476	4,217	3,302	1.28	6.00%	0
340990	7,065	8,542	15,607	7,310	8,981	16,292	685	526	1.30	4.39%	0
361412	55,394	30,526	85,920	56,248	35,741	91,989	6,070	4,631	1.31	7.06%	0
351147	11,384	21,990	33,374	12,287	22,347	34,634	1,261	960	1.31	3.78%	0
361401	23,137	72,216	95,353	24,339	73,087	97,426	2,073	1,562	1.33	2.17%	0
442038	15,823	27,196	43,019	16,409	28,518	44,926	1,908	1,406	1.36	4.43%	0
351220	22,599	31,833	54,432	24,398	32,619	57,017	2,585	1,903	1.36	4.75%	0
120042	6,585	8,791	15,377	6,791	9,245	16,036	659	485	1.36	4.29%	0
391642	44,031	99,742	143,773	46,270	101,736	148,006	4,233	3,052	1.39	2.94%	0
300633	9,334	14,422	23,756	10,044	14,758	24,802	1,046	754	1.39	4.40%	0
330875	14,868	18,749	33,618	15,708	19,626	35,335	1,717	1,221	1.41	5.11%	0
351213	9,517	47,217	56,734	9,892	47,712	57,605	871	615	1.42	1.54%	0
240532	8,418	7,680	16,098	8,972	8,069	17,042	944	662	1.43	5.86%	0
361353	15,295	25,153	40,449	15,972	26,409	42,381	1,932	1,353	1.43	4.78%	0
361373	125,079	96,054	221,133	120,307	115,364	235,671	14,538	10,112	1.44	6.57%	0
371582	12,459	21,415	33,874	13,378	22,043	35,421	1,547	1,068	1.45	4.57%	0
351277	6,803	14,945	21,749	7,007	15,469	22,477	728	502	1.45	3.35%	0
341017	15,969	14,113	30,082	16,733	15,221	31,955	1,873	1,291	1.45	6.23%	0
351248	25,903	32,931	58,834	27,715	34,363	62,078	3,244	2,235	1.45	5.51%	0

APPENDIX E

2006 MODIFICATION OF AVERAGE SCHEDULES
IMPACTS OF PROPOSED FORMULAS FOR JULY 2006 USING 9/05 VIEW OF 7/05 SETTLEMENTS DATA

Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
391677	69,616	150,237	219,853	74,204	153,535	227,739	7,886	5,377	1.47	3.59%	0
421936	7,115	12,114	19,229	7,373	12,653	20,026	798	531	1.50	4.15%	0
351176	8,906	16,096	25,002	9,548	16,530	26,079	1,077	711	1.51	4.31%	0
310678	22,122	27,873	49,995	22,708	29,435	52,143	2,148	1,406	1.53	4.30%	0
330945	33,640	32,684	66,324	34,884	35,730	70,614	4,290	2,772	1.55	6.47%	0
351126	2,759	8,595	11,355	2,922	8,737	11,659	304	195	1.56	2.68%	0
170215	11,135	22,389	33,524	12,026	22,960	34,986	1,462	935	1.56	4.36%	0
330899	25,804	38,467	64,271	27,645	39,931	67,576	3,305	2,080	1.59	5.14%	0
190236	12,628	16,837	29,465	13,544	17,646	31,190	1,725	1,085	1.59	5.85%	0
371563	16,709	20,712	37,421	17,495	21,795	39,290	1,869	1,172	1.59	4.99%	0
351273	10,080	21,773	31,854	10,885	22,291	33,177	1,323	829	1.60	4.15%	0
361347	43,953	38,401	82,354	46,504	41,663	88,167	5,813	3,627	1.60	7.06%	0
351251	32,518	43,305	75,822	34,855	44,874	79,729	3,907	2,419	1.62	5.15%	0
391669	31,804	76,116	107,919	33,001	78,396	111,397	3,478	2,150	1.62	3.22%	0
300651	5,665	9,685	15,350	5,871	10,151	16,022	672	414	1.62	4.38%	0
351152	22,442	41,361	63,804	24,040	42,439	66,479	2,676	1,647	1.62	4.19%	0
381638	14,996	43,571	58,566	15,597	44,741	60,338	1,771	1,090	1.63	3.02%	0
351223	4,289	5,254	9,543	4,478	5,572	10,049	506	310	1.63	5.31%	0
431704	16,467	31,703	48,170	17,075	33,382	50,457	2,287	1,394	1.64	4.75%	0
351284	9,682	19,240	28,923	10,440	19,797	30,237	1,314	789	1.67	4.54%	0
351191	9,165	17,403	26,568	9,849	17,962	27,811	1,243	737	1.69	4.68%	0
330863	30,699	55,227	85,927	32,877	56,924	89,801	3,875	2,296	1.69	4.51%	0
300591	8,160	17,198	25,358	8,812	17,960	26,773	1,414	832	1.70	5.58%	0
330905	31,341	29,333	60,674	32,841	32,269	65,110	4,437	2,604	1.70	7.31%	0
351331	67,483	104,091	171,574	72,433	107,894	180,327	8,754	5,090	1.72	5.10%	0
320809	26,606	33,954	60,560	27,892	35,786	63,677	3,117	1,805	1.73	5.15%	0
330902	29,994	47,945	77,940	31,639	50,630	82,268	4,329	2,479	1.75	5.55%	0
361654	24,300	43,007	67,307	25,247	44,969	70,216	2,909	1,661	1.75	4.32%	0
351133	11,281	42,651	53,933	11,864	43,486	55,349	1,417	806	1.76	2.63%	0
330970	81,917	82,907	164,824	85,419	91,170	176,590	11,766	6,687	1.76	7.14%	0
351305	9,662	19,285	28,947	10,418	19,918	30,335	1,388	787	1.76	4.80%	0

APPENDIX E

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Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
351189	13,977	25,581	39,558	14,390	26,861	41,251	1,693	949	1.78	4.28%	0
361404	13,645	22,222	35,867	14,052	23,616	37,668	1,801	1,007	1.79	5.02%	0
361494	13,554	18,759	32,312	14,428	19,994	34,421	2,109	1,178	1.79	6.53%	0
351257	11,806	17,595	29,401	12,687	18,361	31,048	1,648	918	1.79	5.60%	0
351203	11,030	19,332	30,362	11,832	20,015	31,847	1,485	827	1.80	4.89%	0
300645	14,936	22,795	37,731	15,758	24,199	39,957	2,226	1,239	1.80	5.90%	0
351174	15,919	32,643	48,561	16,530	34,118	50,649	2,087	1,160	1.80	4.30%	0
330914	77,435	55,399	132,834	81,442	62,770	144,212	11,378	6,297	1.81	8.57%	0
351310	7,453	20,108	27,561	7,796	20,788	28,585	1,024	565	1.81	3.71%	0
361508	13,295	18,734	32,028	14,185	19,941	34,126	2,098	1,152	1.82	6.55%	0
361431	39,092	55,939	95,031	41,902	58,587	100,488	5,457	2,996	1.82	5.74%	0
351101	10,478	17,780	28,258	11,323	18,521	29,843	1,585	869	1.82	5.61%	0
300639	14,171	17,939	32,110	14,992	19,382	34,374	2,264	1,240	1.83	7.05%	0
351262	22,147	36,105	58,253	22,760	38,221	60,981	2,729	1,494	1.83	4.68%	0
300650	20,190	24,453	44,643	21,649	25,812	47,461	2,818	1,536	1.83	6.31%	0
351242	9,055	16,036	25,092	9,722	16,709	26,432	1,340	726	1.85	5.34%	0
462198	11,414	21,707	33,121	12,318	22,598	34,917	1,795	963	1.86	5.42%	0
351222	9,155	18,304	27,459	9,838	18,997	28,834	1,375	736	1.87	5.01%	0
351303	8,832	22,212	31,045	9,215	23,025	32,239	1,195	639	1.87	3.85%	0
351172	32,674	41,384	74,058	34,251	44,212	78,463	4,405	2,346	1.88	5.95%	0
351293	17,311	28,276	45,587	18,227	29,672	47,899	2,311	1,230	1.88	5.07%	0
230505	45,012	37,995	83,007	47,344	42,883	90,227	7,220	3,841	1.88	8.70%	0
361390	34,684	69,737	104,421	36,010	72,545	108,555	4,134	2,194	1.88	3.96%	0
300619	13,225	14,030	27,255	14,119	15,307	29,426	2,171	1,145	1.90	7.97%	0
361384	3,927	6,623	10,550	4,107	6,981	11,088	538	283	1.90	5.10%	0
230500	14,648	26,237	40,885	15,416	27,930	43,346	2,461	1,288	1.91	6.02%	0
351141	9,483	19,188	28,671	10,214	19,930	30,144	1,474	769	1.92	5.14%	0
351250	8,787	17,254	26,040	9,408	17,972	27,380	1,340	699	1.92	5.15%	0
361419	4,596	8,903	13,499	4,791	9,349	14,140	641	333	1.92	4.75%	0
351188	7,543	17,642	25,185	7,908	18,382	26,290	1,105	574	1.93	4.39%	0
170197	16,645	22,063	38,708	17,249	24,149	41,398	2,690	1,396	1.93	6.95%	0

APPENDIX E

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Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
421942	27,623	49,036	76,660	29,165	51,220	80,385	3,725	1,925	1.94	4.86%	0
361396	42,912	45,999	88,911	46,138	49,208	95,345	6,434	3,321	1.94	7.24%	0
190237	20,504	31,733	52,237	21,124	33,846	54,970	2,734	1,407	1.94	5.23%	0
280467	12,986	17,320	30,307	13,891	18,613	32,504	2,198	1,121	1.96	7.25%	0
351319	42,192	53,175	95,368	43,418	57,825	101,243	5,875	2,981	1.97	6.16%	0
361403	9,822	20,196	30,018	10,597	21,006	31,603	1,585	803	1.97	5.28%	0
391688	16,088	27,166	43,253	16,690	28,738	45,428	2,175	1,098	1.98	5.03%	0
442043	11,942	15,925	27,867	12,356	17,245	29,601	1,734	875	1.98	6.22%	0
320830	45,375	54,116	99,491	48,697	57,567	106,264	6,773	3,416	1.98	6.81%	0
310725	13,563	24,155	37,718	14,437	25,620	40,057	2,339	1,179	1.98	6.20%	0
340983	21,038	31,207	52,245	22,645	33,018	55,663	3,418	1,721	1.99	6.54%	0
280460	72,630	74,357	146,987	73,886	85,336	159,222	12,235	6,128	2.00	8.32%	0
351261	18,225	38,628	56,853	19,000	40,489	59,489	2,636	1,320	2.00	4.64%	0
330879	41,565	67,744	109,308	44,269	71,819	116,088	6,780	3,387	2.00	6.20%	0
351230	26,867	42,973	69,840	28,511	45,287	73,799	3,959	1,977	2.00	5.67%	0
351160	17,955	26,234	44,189	19,127	27,793	46,920	2,731	1,358	2.01	6.18%	0
351130	9,991	19,835	29,826	10,786	20,691	31,477	1,651	820	2.01	5.54%	0
320796	12,648	14,108	26,756	13,563	15,384	28,948	2,192	1,087	2.02	8.19%	0
351187	18,599	24,978	43,577	19,780	26,554	46,334	2,757	1,363	2.02	6.33%	0
351322	6,359	9,805	16,164	6,571	10,649	17,220	1,056	522	2.02	6.53%	0
351232	8,906	104,251	113,157	9,548	105,052	114,601	1,443	711	2.03	1.28%	0
330889	24,666	38,840	63,506	26,495	41,102	67,597	4,091	1,987	2.06	6.44%	0
361356	61,750	46,102	107,852	66,304	51,731	118,035	10,183	4,902	2.08	9.44%	0
532396	8,239	14,349	22,588	8,758	15,176	23,933	1,345	644	2.09	5.95%	0
330868	32,442	36,958	69,400	34,904	39,809	74,713	5,314	2,532	2.10	7.66%	0
351162	18,851	28,264	47,115	20,061	29,969	50,031	2,916	1,379	2.11	6.19%	0
351276	17,807	14,850	32,657	18,907	16,548	35,455	2,798	1,320	2.12	8.57%	0
361408	27,010	29,168	56,178	28,710	31,723	60,433	4,255	2,006	2.12	7.57%	0
351217	14,678	28,158	42,836	15,252	29,623	44,875	2,039	961	2.12	4.76%	0
341029	19,488	27,294	46,783	20,876	29,082	49,958	3,175	1,487	2.14	6.79%	0
290584	26,396	40,133	66,528	27,224	43,246	70,470	3,942	1,845	2.14	5.92%	0

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300585	9,583	16,968	26,551	10,327	17,890	28,217	1,666	779	2.14	6.28%	0
351269	6,906	16,879	23,785	7,108	17,768	24,876	1,092	510	2.14	4.59%	0
300662	9,603	11,383	20,985	10,350	12,309	22,659	1,674	781	2.14	7.98%	0
381615	29,522	49,762	79,284	30,333	53,325	83,658	4,374	2,038	2.15	5.52%	0
190225	86,353	134,197	220,550	88,192	148,574	236,766	16,216	7,549	2.15	7.35%	0
351285	14,180	28,812	42,992	14,683	30,589	45,272	2,280	1,057	2.16	5.30%	0
351169	7,364	16,901	24,265	7,685	17,785	25,470	1,205	556	2.17	4.97%	0
250301	27,397	42,323	69,720	29,211	45,366	74,577	4,856	2,232	2.18	6.97%	0
401722	62,584	90,046	152,630	65,115	97,161	162,276	9,646	4,432	2.18	6.32%	0
351237	27,512	46,462	73,974	28,336	49,826	78,163	4,188	1,915	2.19	5.66%	0
351241	9,921	17,510	27,431	10,708	18,503	29,211	1,780	813	2.19	6.49%	0
190239	11,364	17,078	28,442	12,267	18,277	30,543	2,101	958	2.19	7.39%	0
351246	11,421	27,780	39,200	11,834	29,206	41,040	1,840	835	2.20	4.69%	0
320744	24,807	27,693	52,500	26,011	30,390	56,401	3,901	1,769	2.21	7.43%	0
330962	59,187	71,610	130,797	62,582	78,903	141,486	10,689	4,843	2.21	8.17%	0
351157	9,816	19,451	29,267	10,215	20,626	30,841	1,574	713	2.21	5.38%	0
361475	66,557	67,237	133,793	68,523	75,523	144,045	10,252	4,643	2.21	7.66%	0
351195	30,092	49,019	79,111	31,103	52,692	83,795	4,685	2,116	2.21	5.92%	0
330896	22,160	25,060	47,220	23,851	27,237	51,088	3,868	1,741	2.22	8.19%	0
361439	13,349	25,293	38,642	13,924	26,878	40,802	2,160	966	2.24	5.59%	0
351235	8,604	16,450	25,054	9,036	17,374	26,410	1,356	603	2.25	5.41%	0
391405	7,548	22,318	29,866	7,949	23,128	31,077	1,211	538	2.25	4.05%	0
310692	9,225	16,464	25,689	9,918	17,445	27,363	1,674	743	2.25	6.52%	0
330971	80,890	152,658	233,548	86,394	161,746	248,141	14,592	6,465	2.26	6.25%	0
361510	20,549	30,994	51,542	21,432	33,195	54,627	3,085	1,364	2.26	5.98%	0
351199	6,314	12,846	19,160	6,521	13,690	20,211	1,051	464	2.27	5.49%	0
351245	5,990	12,555	18,545	6,198	13,344	19,542	997	439	2.27	5.37%	0
351324	15,434	23,704	39,138	16,245	25,591	41,836	2,698	1,183	2.28	6.89%	0
330930	51,354	51,504	102,857	55,031	56,633	111,664	8,807	3,861	2.28	8.56%	0
330847	10,777	14,045	24,822	11,645	15,231	26,877	2,055	899	2.29	8.28%	0
351320	7,821	25,275	33,097	8,251	26,226	34,477	1,380	602	2.29	4.17%	0

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361474	7,612	16,982	24,594	7,994	17,936	25,930	1,336	581	2.30	5.43%	0
351136	8,339	12,623	20,962	8,877	13,590	22,467	1,505	654	2.30	7.18%	0
351343	8,309	20,359	28,668	8,841	21,329	30,170	1,502	651	2.31	5.24%	0
330866	18,272	26,693	44,965	19,482	28,675	48,157	3,192	1,379	2.31	7.10%	0
361423	10,976	18,095	29,071	11,858	19,346	31,204	2,133	919	2.32	7.34%	0
351291	25,376	53,331	78,707	26,205	56,563	82,768	4,062	1,750	2.32	5.16%	0
287449	10,648	17,215	27,863	11,506	18,414	29,920	2,057	886	2.32	7.38%	0
351247	13,029	28,035	41,064	13,672	29,571	43,243	2,179	934	2.33	5.31%	0
341087	9,434	16,805	26,239	10,158	17,863	28,021	1,782	764	2.33	6.79%	0
330960	56,914	66,447	123,361	60,720	72,599	133,319	9,958	4,238	2.35	8.07%	0
361440	29,490	41,458	70,948	30,389	45,437	75,825	4,878	2,073	2.35	6.88%	0
361424	11,995	23,756	35,751	12,404	25,200	37,604	1,853	785	2.36	5.18%	0
140064	49,733	89,042	138,776	52,487	95,021	147,507	8,732	3,693	2.36	6.29%	0
361485	16,837	27,370	44,207	17,945	29,417	47,362	3,155	1,324	2.38	7.14%	0
330946	15,693	29,055	44,747	16,562	31,067	47,629	2,882	1,209	2.38	6.44%	0
351139	23,584	35,951	59,535	24,399	38,813	63,212	3,677	1,542	2.38	6.18%	0
361472	101,265	151,791	253,056	108,467	162,750	271,217	18,161	7,613	2.39	7.18%	0
391653	5,179	13,411	18,590	5,382	14,110	19,491	901	377	2.39	4.85%	0
351137	8,525	20,694	29,219	8,901	21,795	30,696	1,476	616	2.40	5.05%	0
100005	10,877	16,734	27,610	11,752	18,046	29,798	2,188	909	2.41	7.93%	0
351294	7,443	15,607	23,051	7,784	16,627	24,411	1,361	564	2.41	5.90%	0
351334	56,897	80,807	137,704	58,545	88,481	147,026	9,322	3,837	2.43	6.77%	0
371565	9,538	19,689	29,227	9,932	20,977	30,910	1,683	692	2.43	5.76%	0
371555	83,988	114,096	198,085	89,212	123,683	212,895	14,810	6,084	2.43	7.48%	0
320837	9,822	15,658	25,480	10,597	16,866	27,462	1,982	803	2.47	7.78%	0
351282	20,169	28,429	48,599	20,935	30,854	51,789	3,190	1,282	2.49	6.56%	0
351153	9,334	15,005	24,339	10,044	16,181	26,225	1,886	754	2.50	7.75%	0
290570	71,880	88,675	160,555	76,238	99,172	175,411	14,855	5,907	2.51	9.25%	0
220380	71,032	65,826	136,857	76,390	74,632	151,023	14,165	5,632	2.52	10.35%	0
351119	6,482	15,458	21,940	6,688	16,453	23,141	1,201	477	2.52	5.47%	0
250285	12,359	19,633	31,993	13,279	21,380	34,659	2,666	1,058	2.52	8.33%	0

APPENDIX E

2006 MODIFICATION OF AVERAGE SCHEDULES IMPACTS OF PROPOSED FORMULAS FOR JULY 2006 USING 9/05 VIEW OF 7/05 SETTLEMENTS DATA

Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
371562	18,822	38,275	57,097	19,442	40,871	60,313	3,216	1,275	2.52	5.63%	0
351108	2,525	5,950	8,475	2,659	6,271	8,931	456	180	2.53	5.38%	0
401710	14,100	21,362	35,463	14,583	23,545	38,127	2,665	1,049	2.54	7.51%	0
240535	10,279	12,865	23,145	11,105	14,199	25,304	2,159	849	2.54	9.33%	0
351115	38,057	38,156	76,214	41,052	43,281	84,333	8,120	3,190	2.55	10.65%	0
361413	29,067	20,792	49,859	29,879	25,157	55,036	5,176	2,031	2.55	10.38%	0
361450	61,397	97,683	159,080	65,781	105,087	170,868	11,788	4,612	2.56	7.41%	0
351337	98,297	134,165	232,462	101,603	147,976	249,578	17,116	6,685	2.56	7.36%	0
341062	8,001	15,302	23,302	8,469	16,425	24,895	1,592	620	2.57	6.83%	0
140053	10,807	19,216	30,022	11,677	20,670	32,347	2,325	902	2.58	7.74%	0
421893	8,050	15,732	23,782	8,529	16,866	25,395	1,613	625	2.58	6.78%	0
381622	14,094	28,124	42,217	14,504	30,257	44,761	2,543	982	2.59	6.02%	0
351264	10,226	20,453	30,679	10,630	21,985	32,614	1,935	744	2.60	6.31%	0
250311	34,128	30,992	65,119	36,065	35,714	71,779	6,660	2,510	2.65	10.23%	0
341054	67,006	84,346	151,351	69,576	93,801	163,377	12,025	4,527	2.66	7.95%	0
381625	79,638	143,467	223,105	82,628	154,725	237,353	14,248	5,354	2.66	6.39%	0
361389	15,627	33,530	49,157	16,346	35,853	52,199	3,042	1,126	2.70	6.19%	0
371561	9,065	16,692	25,757	9,734	17,989	27,723	1,965	727	2.70	7.63%	0
310694	8,817	13,576	22,393	9,443	14,855	24,298	1,905	702	2.71	8.51%	0
341024	34,324	37,950	72,274	35,711	43,263	78,975	6,701	2,456	2.73	9.27%	0
401712	95,946	110,446	206,392	103,023	123,604	226,627	20,235	7,389	2.74	9.80%	0
351328	72,628	126,466	199,094	75,603	136,859	212,462	13,368	4,820	2.77	6.71%	0
170195	6,936	14,901	21,837	7,146	16,115	23,261	1,424	513	2.78	6.52%	0
432141	10,205	28,510	38,715	10,692	30,003	40,696	1,981	713	2.78	5.12%	0
330942	39,908	62,894	102,801	41,781	69,070	110,852	8,051	2,891	2.78	7.83%	0
351280	5,350	14,560	19,910	5,554	15,446	21,000	1,091	390	2.80	5.48%	0
310703	34,488	40,168	74,657	36,466	45,362	81,827	7,171	2,552	2.81	9.60%	0
340998	8,448	12,632	21,080	9,008	13,966	22,974	1,894	665	2.85	8.98%	0
341086	7,294	13,450	20,744	7,598	14,724	22,322	1,579	549	2.88	7.61%	0
351424	13,975	20,771	34,746	14,561	23,107	37,668	2,922	1,013	2.88	8.41%	0
421206	16,738	43,343	60,080	17,461	45,940	63,401	3,321	1,140	2.91	5.53%	0

APPENDIX E

2006 MODIFICATION OF AVERAGE SCHEDULES IMPACTS OF PROPOSED FORMULAS FOR JULY 2006 USING 9/05 VIEW OF 7/05 SETTLEMENTS DATA

Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
381631	71,264	107,771	179,036	73,874	118,977	192,851	13,815	4,741	2.91	7.72%	0
260396	82,603	88,099	170,702	88,821	100,896	189,717	19,016	6,509	2.92	11.14%	0
300590	16,195	33,407	49,602	16,809	36,285	53,094	3,492	1,181	2.96	7.04%	0
341075	7,294	12,913	20,207	7,598	14,245	21,842	1,636	549	2.98	8.09%	0
190220	2,222	6,902	9,124	2,343	7,253	9,596	472	158	2.99	5.18%	0
391660	84,037	88,339	172,376	90,394	101,636	192,030	19,654	6,557	3.00	11.40%	0
351107	4,716	13,536	18,252	4,912	14,369	19,281	1,030	342	3.01	5.64%	0
351114	5,899	14,611	20,510	6,107	15,708	21,814	1,304	432	3.02	6.36%	0
351344	14,413	31,432	45,845	15,006	33,999	49,006	3,160	1,046	3.02	6.89%	0
421900	20,716	28,538	49,254	21,526	32,301	53,828	4,574	1,508	3.03	9.29%	0
351146	5,192	12,555	17,747	5,395	13,501	18,896	1,149	378	3.04	6.47%	0
351239	9,033	19,208	28,241	9,418	20,811	30,229	1,989	654	3.04	7.04%	0
340993	8,030	14,164	22,195	8,505	15,614	24,119	1,924	623	3.09	8.67%	0
330966	95,667	90,361	186,028	102,861	106,895	209,757	23,729	7,609	3.12	12.76%	0
340976	61,099	95,205	156,304	63,613	106,170	169,783	13,479	4,274	3.15	8.62%	0
371530	24,419	58,421	82,841	25,378	62,550	87,928	5,087	1,611	3.16	6.14%	0
320816	6,353	10,570	16,923	6,560	11,839	18,399	1,476	467	3.16	8.72%	0
421860	4,968	13,879	18,847	5,168	14,841	20,009	1,162	361	3.22	6.17%	0
351342	3,305	9,688	12,993	3,467	10,289	13,756	763	237	3.22	5.87%	0
351179	4,556	13,668	18,224	4,750	14,547	19,297	1,073	330	3.25	5.89%	0
190248	77,401	117,582	194,983	82,924	132,430	215,354	20,370	6,241	3.26	10.45%	0
361476	6,611	9,160	15,771	6,816	10,548	17,364	1,593	487	3.27	10.10%	0
351238	4,263	12,170	16,432	4,450	12,998	17,448	1,016	308	3.30	6.19%	0
351097	5,126	8,978	14,104	5,328	10,037	15,366	1,261	373	3.38	8.94%	0
391682	5,750	23,040	28,791	6,045	24,136	30,182	1,391	411	3.38	4.83%	0
421759	36,983	47,912	84,896	38,227	55,734	93,961	9,065	2,671	3.39	10.68%	0
100019	77,098	84,661	161,759	82,616	100,786	183,402	21,643	6,363	3.40	13.38%	0
351175	6,029	11,664	17,694	6,237	12,971	19,207	1,514	442	3.43	8.56%	0
310735	13,448	55,495	68,943	14,311	58,523	72,834	3,891	1,125	3.46	5.64%	0
472227	23,737	50,150	73,887	24,695	54,775	79,470	5,584	1,608	3.47	7.56%	0
190238	23,393	39,600	62,993	24,372	44,517	68,890	5,897	1,696	3.48	9.36%	0

APPENDIX E

2006 MODIFICATION OF AVERAGE SCHEDULES IMPACTS OF PROPOSED FORMULAS FOR JULY 2006 USING 9/05 VIEW OF 7/05 SETTLEMENTS DATA

Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
351098	5,087	13,690	18,776	5,288	14,780	20,069	1,292	370	3.49	6.88%	0
351168	27,993	79,130	107,123	29,183	84,252	113,435	6,311	1,787	3.53	5.89%	0
371532	45,762	142,540	188,302	47,912	150,920	198,832	10,530	2,960	3.56	5.59%	0
361426	8,538	15,395	23,933	8,915	17,259	26,174	2,240	617	3.63	9.36%	0
351308	5,073	13,907	18,981	5,275	15,065	20,340	1,359	369	3.68	7.16%	0
351335	4,915	11,351	16,266	5,114	12,467	17,581	1,315	357	3.68	8.09%	0
351149	4,194	13,670	17,864	4,371	14,518	18,889	1,025	274	3.74	5.74%	0
351228	3,819	13,577	17,396	3,997	14,447	18,443	1,047	275	3.81	6.02%	0
351266	3,563	10,980	14,542	3,733	11,797	15,530	987	256	3.86	6.79%	0
361505	93,724	130,184	223,908	97,328	152,134	249,462	25,553	6,510	3.93	11.41%	0
351270	3,833	13,236	17,069	4,010	14,142	18,153	1,084	276	3.93	6.35%	0
361372	3,005	11,271	14,277	3,157	11,983	15,140	863	215	4.02	6.05%	0
341021	1,443	5,533	6,975	1,527	5,862	7,389	414	102	4.06	5.94%	0
371590	1,373	5,955	7,327	1,453	6,269	7,722	395	97	4.07	5.39%	0
351265	3,223	11,993	15,217	3,383	12,784	16,167	950	231	4.11	6.25%	0
361380	4,289	8,500	12,789	4,478	9,626	14,104	1,315	310	4.24	10.28%	0
361405	9,312	21,931	31,242	9,754	24,104	33,858	2,615	615	4.25	8.37%	0
361365	4,102	8,860	12,962	4,286	9,956	14,242	1,280	296	4.32	9.87%	0
341092	1,401	5,606	7,007	1,483	5,957	7,440	434	99	4.38	6.19%	0
351243	1,373	6,562	7,935	1,453	6,923	8,376	441	97	4.55	5.56%	0
351301	11,848	83,823	95,671	12,390	87,277	99,667	3,996	854	4.68	4.18%	0
381509	4,429	13,469	17,898	4,672	14,758	19,430	1,532	315	4.86	8.56%	0
361381	3,373	11,113	14,486	3,537	12,150	15,687	1,202	242	4.96	8.29%	0
351206	6,093	23,011	29,104	6,389	24,770	31,159	2,055	413	4.98	7.06%	0
341041	1,190	6,642	7,833	1,261	7,011	8,272	440	84	5.23	5.61%	0
351275	2,978	10,916	13,894	3,129	11,887	15,016	1,122	213	5.27	8.08%	0
462206	1,092	5,970	7,062	1,158	6,311	7,469	407	77	5.28	5.76%	0
361348	1,007	5,238	6,246	1,069	5,563	6,632	386	71	5.43	6.18%	0
361337	11,227	26,495	37,722	11,807	30,390	42,197	4,475	802	5.58	11.86%	0
361512	2,566	15,875	18,441	2,702	16,776	19,478	1,037	183	5.67	5.62%	0
351307	2,663	10,635	13,297	2,802	11,581	14,383	1,086	190	5.72	8.17%	0

APPENDIX E

2006 MODIFICATION OF AVERAGE SCHEDULES IMPACTS OF PROPOSED FORMULAS FOR JULY 2006 USING 9/05 VIEW OF 7/05 SETTLEMENTS DATA

Study Area Code	Current Common Line Settlement	Current Traffic Sensitive Settlement	Current Total Settlement	Proposed Common Line Settlement	Proposed Traffic Sensitive Settlement	Proposed Total Settlement	Total Settlement Difference	Access Lines	Total Settlement Difference Per Line	Total Settlement Percent Difference	First Month Settlement Transition Amount
613026	2,690	7,341	10,031	2,831	8,350	11,181	1,150	192	5.99	11.46%	0
351407	2,277	22,204	24,481	2,401	23,075	25,476	994	162	6.14	4.06%	0
341046	2,277	5,609	7,886	2,401	6,515	8,916	1,030	162	6.36	13.05%	0
421876	2,649	9,822	12,471	2,788	10,932	13,720	1,249	189	6.61	10.01%	0
462210	909	5,866	6,775	964	6,243	7,207	432	64	6.75	6.38%	0
351121	2,014	11,431	13,445	2,126	12,288	14,414	969	143	6.78	7.21%	0
381623	3,046	10,461	13,507	3,200	11,944	15,144	1,636	218	7.51	12.11%	0
613005	612	4,725	5,337	650	5,035	5,685	349	43	8.11	6.54%	0
381601	683	6,866	7,548	725	7,221	7,946	398	48	8.29	5.27%	0
330848	3,025	8,633	11,658	3,201	10,323	13,524	1,867	214	8.72	16.01%	0
170277	541	5,129	5,670	575	5,441	6,016	346	38	9.10	6.10%	0
361500	541	4,953	5,494	575	5,272	5,847	353	38	9.30	6.43%	0
TOTAL	26,776,149	32,373,822	59,149,974	25,655,765	32,473,982	58,129,761	-1,020,201	2,323,309	-\$0.44	-1.72%	1,505,064
Total Transition Amount Over 24 Months Period:											18,813,300

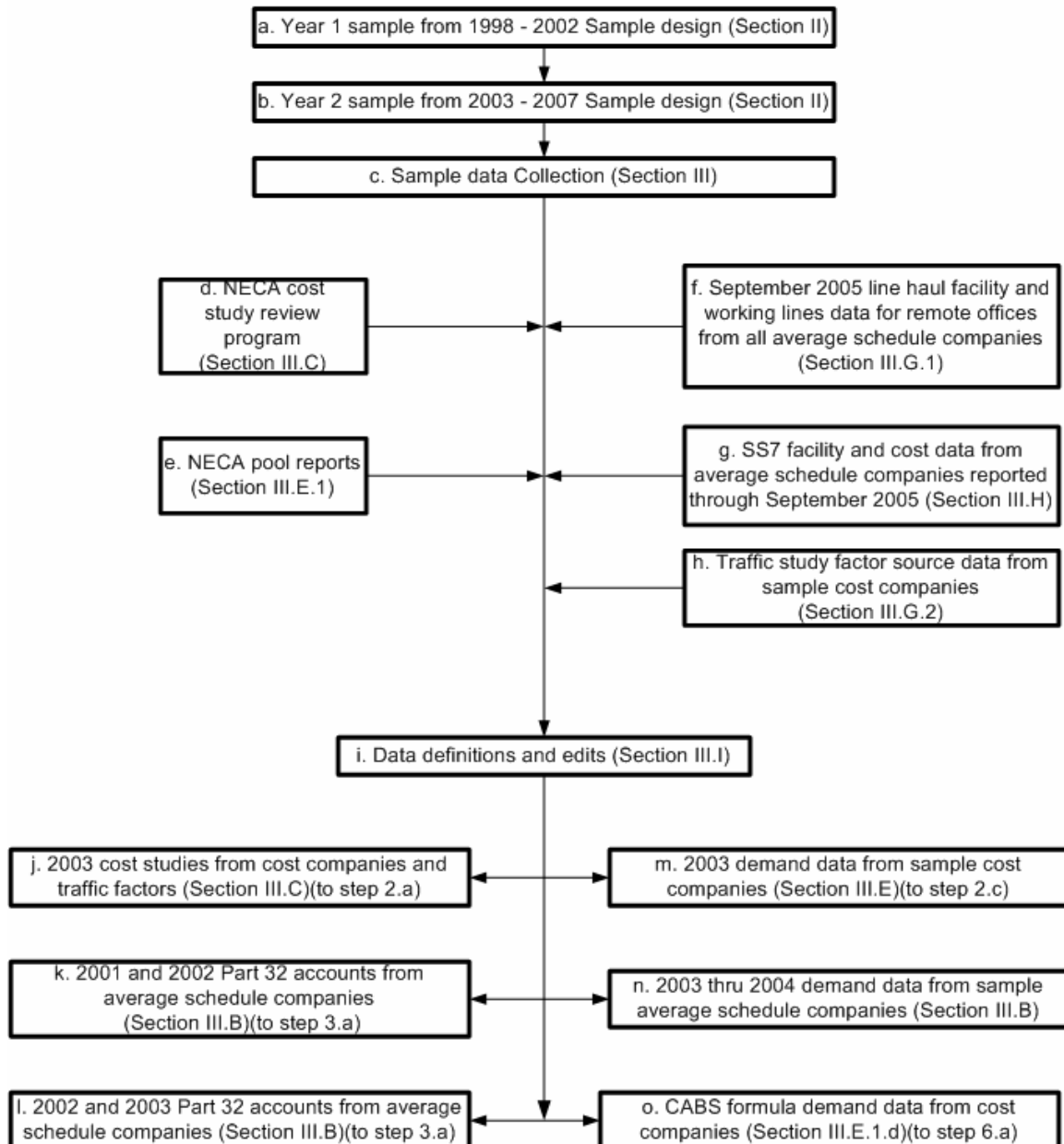
APPENDIX F
2006 MODIFICATIONS OF AVERAGE SCHEDULES
FLOW CHARTS OF SETTLEMENT FORMULA
DEVELOPMENT STEPS



The numbered step references, used in this Appendix, refer to other steps within this Appendix

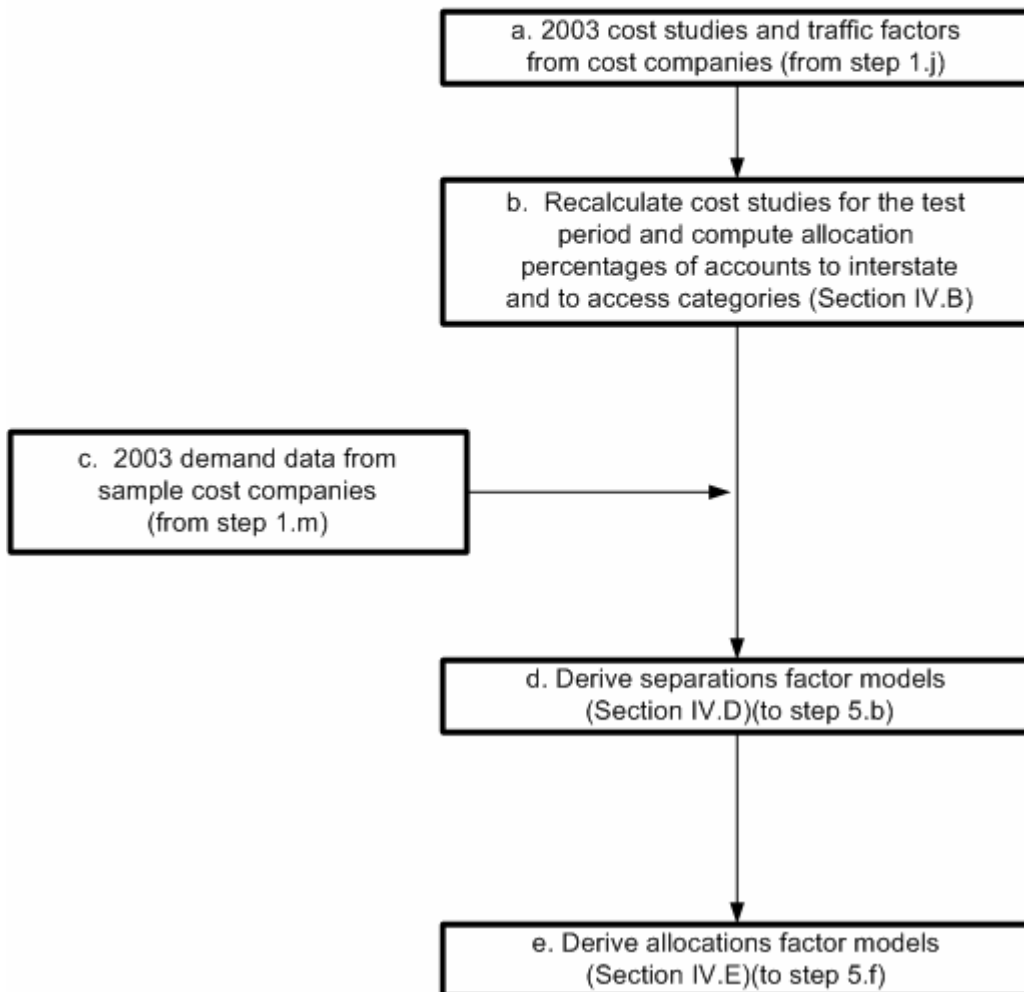
APPENDIX F
2006 MODIFICATIONS OF AVERAGE SCHEDULES
FLOW CHARTS OF SETTLEMENT FORMULA
DEVELOPMENT STEPS

1. Sampling and Data Collection



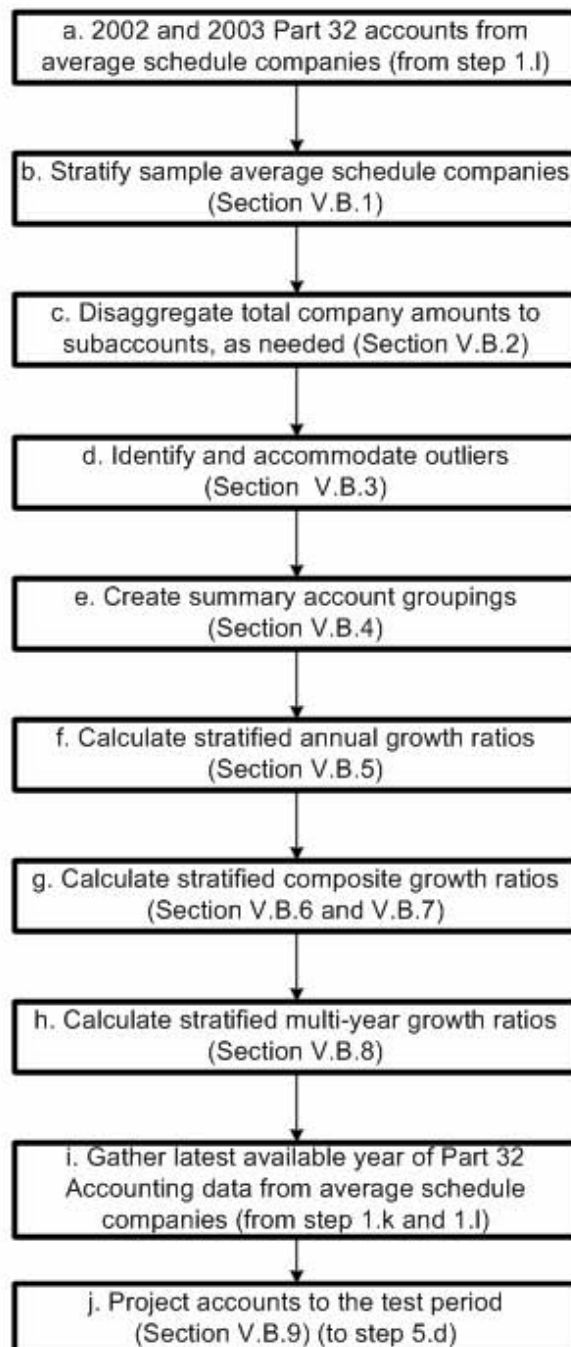
APPENDIX F
2006 MODIFICATIONS OF AVERAGE SCHEDULES
FLOW CHARTS OF SETTLEMENT FORMULA
DEVELOPMENT STEPS

2. Allocation Methods Derivation



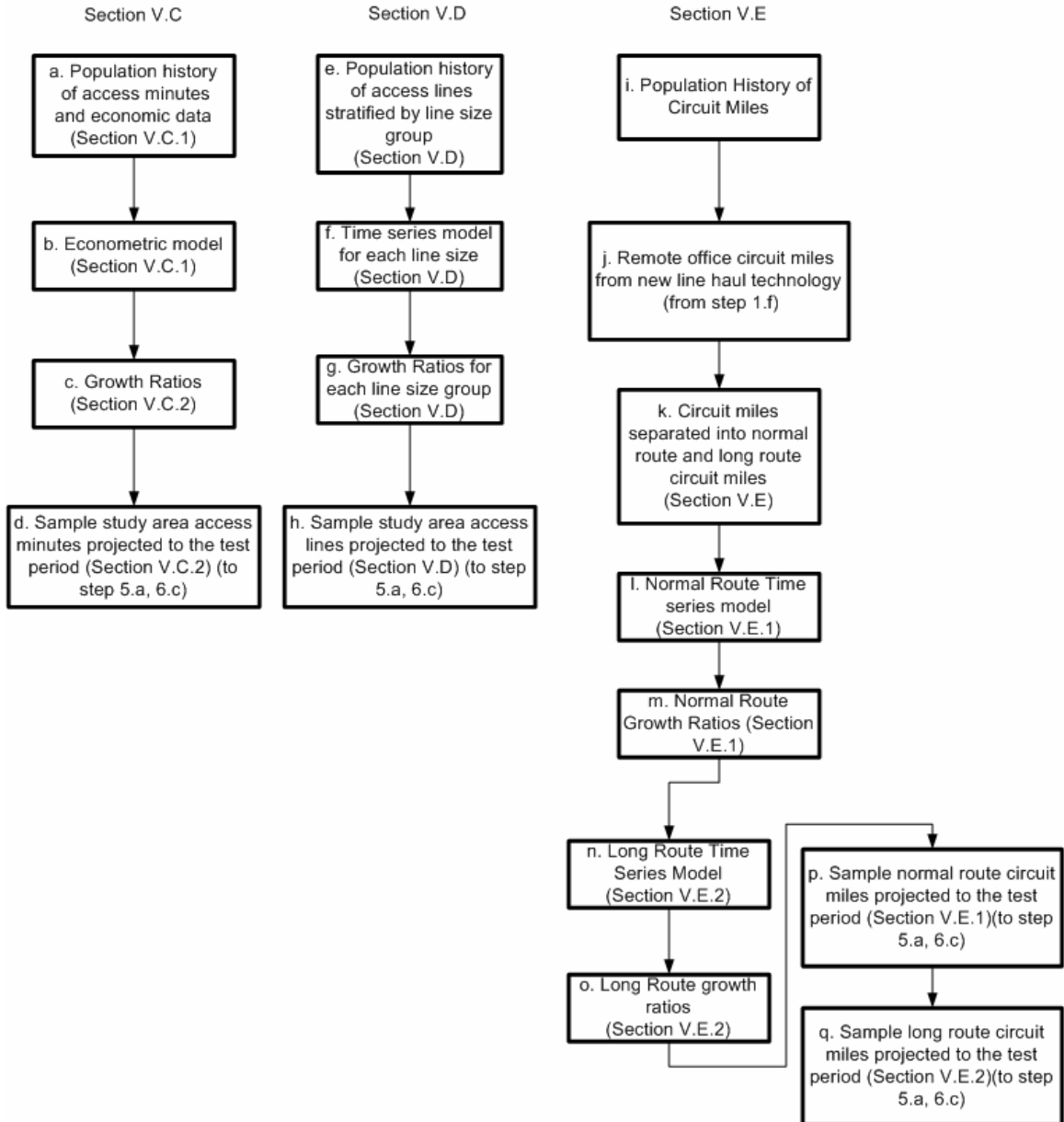
APPENDIX F
2006 MODIFICATIONS OF AVERAGE SCHEDULES
FLOW CHARTS OF SETTLEMENT FORMULA
DEVELOPMENT STEPS

3. Average Schedule Company Account Projections



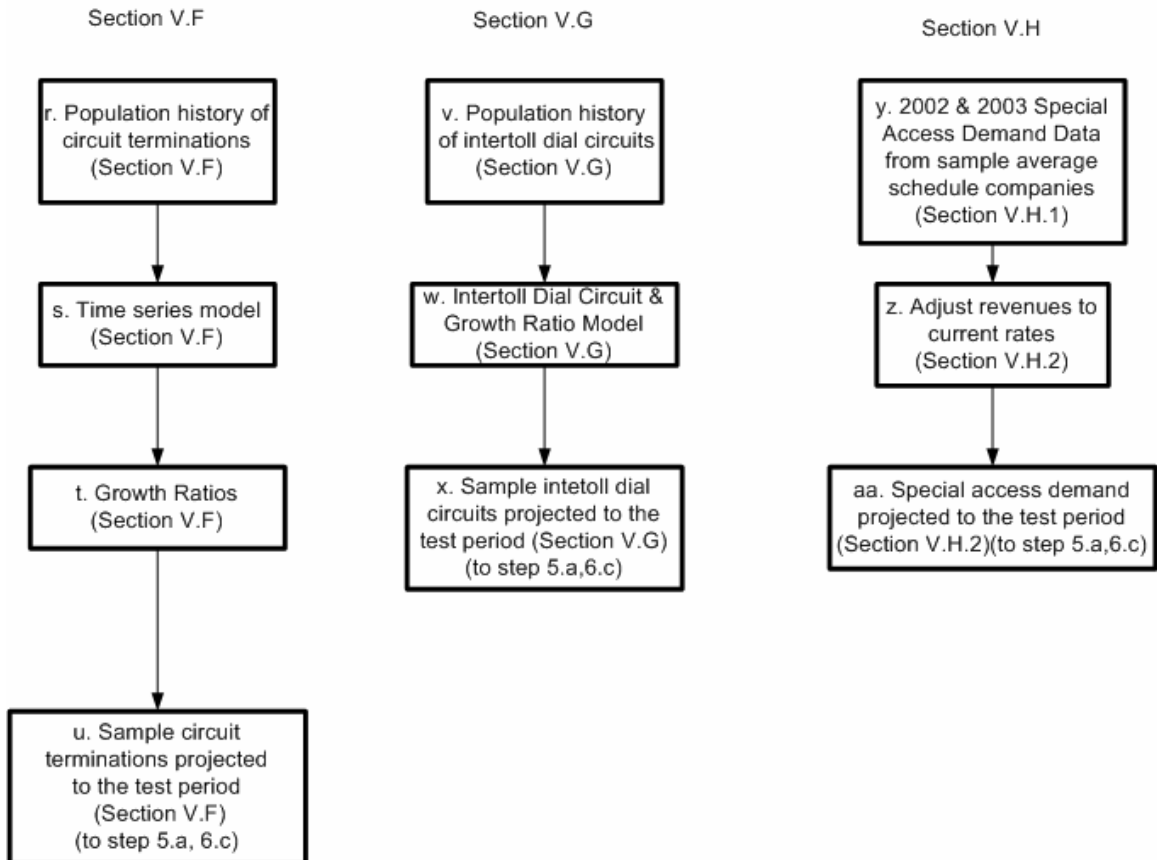
APPENDIX F
2006 MODIFICATIONS OF AVERAGE SCHEDULES
FLOW CHARTS OF SETTLEMENT FORMULA
DEVELOPMENT STEPS

4. Average Schedule Demand Projections



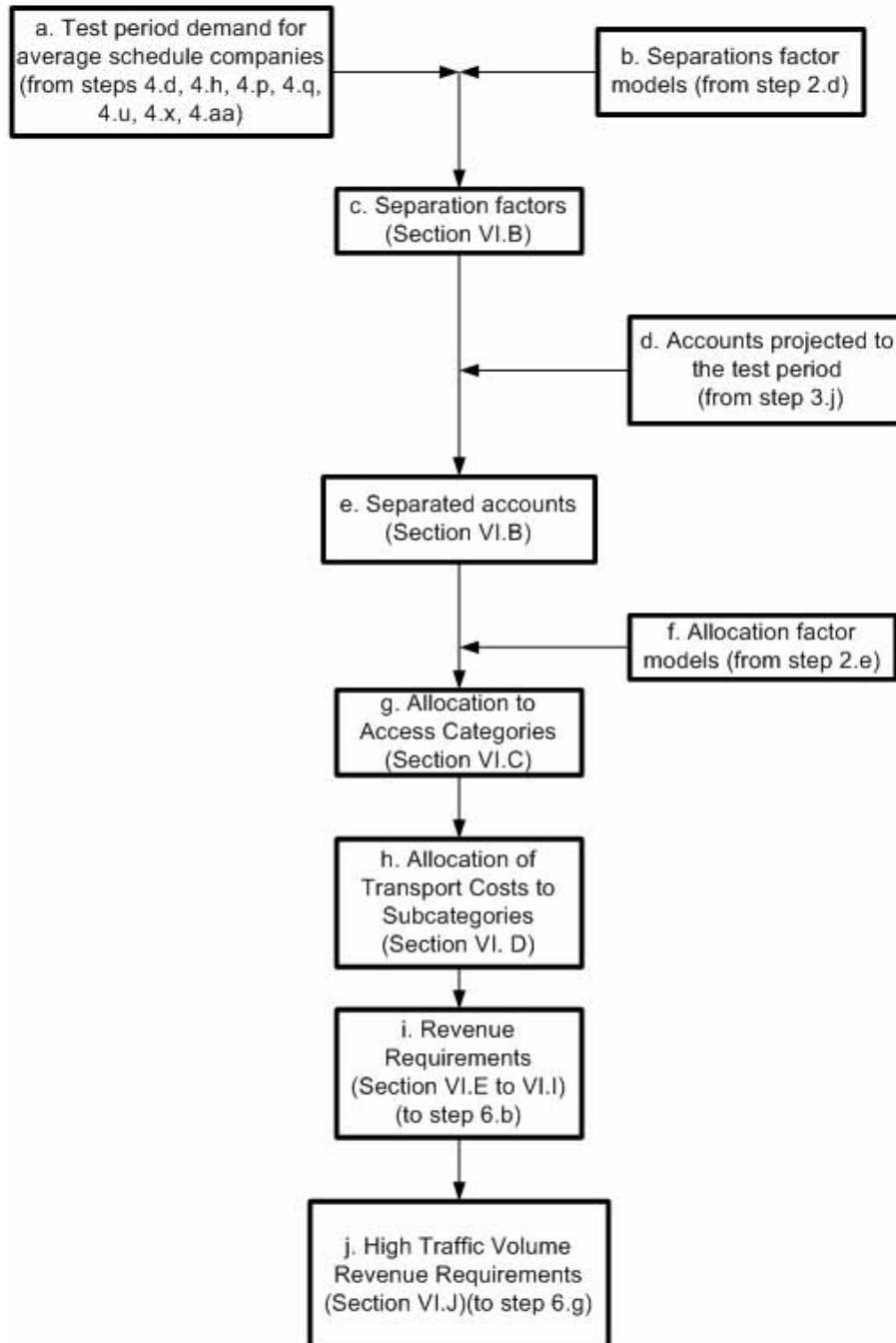
APPENDIX F
2006 MODIFICATIONS OF AVERAGE SCHEDULES
FLOW CHARTS OF SETTLEMENT FORMULA
DEVELOPMENT STEPS

4. Average Schedule Demand Projections



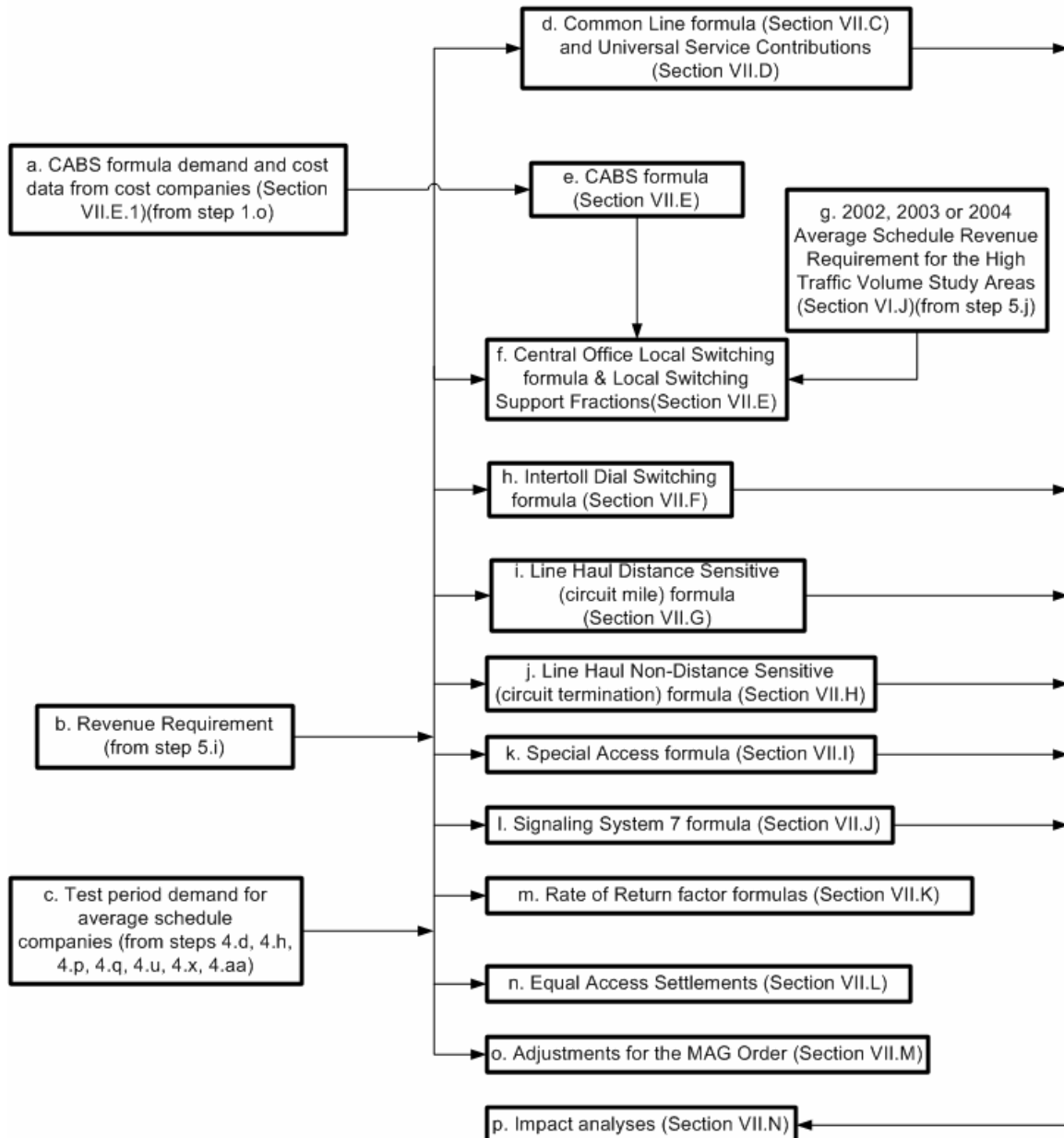
APPENDIX F
2006 MODIFICATIONS OF AVERAGE SCHEDULES
FLOW CHARTS OF SETTLEMENT FORMULA
DEVELOPMENT STEPS

5. Revenue Requirements Derivation



APPENDIX F
2006 MODIFICATIONS OF AVERAGE SCHEDULES
FLOW CHARTS OF SETTLEMENT FORMULA
DEVELOPMENT STEPS

6. Derivation of Average Schedule Formulas



APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
100005	1	55,500	834	1	892	892	0	0	1,726
100015	2	153,762	2,311	2	892	1,784	0	0	4,095
100019	2	126,002	1,894	2	892	1,784	0	0	3,677
100020	3	134,003	2,014	3	892	2,675	0	0	4,690
100022	1	47,500	714	1	892	892	0	0	1,606
120043	1	36,672	551	1	892	892	0	0	1,443
140053	1	32,770	493	1	892	892	0	0	1,384
140064	1	93,531	1,406	1	892	892	0	0	2,298
150088	1	96,324	1,448	0	1,487	0	0	0	1,448
150112	1	172,226	2,589	1	892	892	0	0	3,480
150125	1	13,230	199	0	863	0	2	221	420
150125	1	57,500	864	1	892	892	0	0	1,756
170145	1	171,341	2,575	1	1,328	1,328	0	0	3,903
170156	1	133,365	2,004	1	1,328	1,328	0	0	3,332
170161	3	806,034	12,115	0	1,251	0	6	662	12,777
170161	5	454,638	6,833	1	863	863	8	883	8,579
170171	1	36,770	553	1	892	892	0	0	1,444
170179	2	97,800	1,470	2	892	1,784	0	0	3,254
170191	7	155,582	2,338	0	863	0	14	1545	3,884
170191	1	48,200	724	1	1,328	1,328	0	0	2,052
170195	1	52,500	789	1	892	892	0	0	1,681
170197	1	59,386	893	1	1,328	1,328	0	0	2,221
170200	1	32,507	489	1	1,328	1,328	0	0	1,817
170204	2	69,101	1,039	2	1,328	2,656	0	0	3,694
170210	1	53,000	797	0	1,328	0	2	221	1,017
170215	1	57,500	864	1	892	892	0	0	1,756
190219	1	53,364	802	1	833	833	0	0	1,635
190225	1	67,200	1,010	1	1,487	1,487	0	0	2,497
190226	1	72,189	1,085	1	1,487	1,487	0	0	2,572
190236	1	18,680	281	1	833	833	0	0	1,114
190237	1	57,500	864	1	833	833	0	0	1,697

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
190238	1	68,747	1,033	1	833	833	0	0	1,867
190239	1	42,000	631	1	892	892	0	0	1,523
190243	1	42,000	631	1	833	833	0	0	1,465
190248	1	78,100	1,174	1	833	833	0	0	2,007
190250	1	118,084	1,775	1	1,487	1,487	0	0	3,261
190253	1	53,364	802	1	1,487	1,487	0	0	2,289
200258	1	52,167	784	1	1,487	1,487	0	0	2,271
220364	1	53,364	802	1	746	746	0	0	1,548
220375	1	93,750	1,409	1	746	746	0	0	2,155
220380	1	66,384	998	1	746	746	0	0	1,744
220380	2	96,616	1,452	0	863	0	4	442	1,894
220395	2	83,192	1,250	1	863	863	2	221	2,334
230478	1	33,453	503	1	746	746	0	0	1,249
230494	1	31,929	480	1	746	746	0	0	1,226
230495	1	74,222	1,116	1	746	746	0	0	1,862
230496	2	31,784	478	0	1,487	0	4	442	919
230497	1	65,287	981	1	1,487	1,487	0	0	2,468
230497	1	18,628	280	0	863	0	2	221	501
230500	1	52,564	790	1	746	746	0	0	1,536
230501	11	333,504	5,013	0	753	0	22	2429	7,441
230503	1	50,039	752	0	746	0	2	221	973
230511	1	146,521	2,202	1	746	746	0	0	2,948
240515	1	53,000	797	1	746	746	0	0	1,543
240516	1	68,124	1,024	1	746	746	0	0	1,770
240536	1	50,655	761	1	746	746	0	0	1,507
240546	1	57,500	864	1	746	746	0	0	1,610
250283	1	82,091	1,234	1	746	746	0	0	1,980
250285	1	28,270	425	1	746	746	0	0	1,171
250301	1	27,009	406	1	746	746	0	0	1,152
250311	2	57,500	864	2	863	1,725	0	0	2,589
250312	1	75,108	1,129	1	746	746	0	0	1,875

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
250322	1	52,500	789	1	746	746	0	0	1,535
260408	1	39,200	589	1	746	746	0	0	1,335
260408	2	78,400	1,178	0	863	0	4	442	1,620
260412	1	70,870	1,065	1	746	746	0	0	1,811
260414	1	41,596	625	1	746	746	0	0	1,371
260414	3	124,788	1,876	0	863	0	6	662	2,538
260417	1	71,912	1,081	1	746	746	0	0	1,827
260419	1	44,470	668	1	746	746	0	0	1,414
260419	1	52,440	788	0	863	0	2	221	1,009
270428	1	36,450	548	1	746	746	0	0	1,294
280451	1	55,318	831	1	746	746	0	0	1,577
280460	4	63,497	954	4	746	2,984	0	0	3,938
280467	1	13,481	203	1	746	746	0	0	949
287449	1	34,300	516	1	746	746	0	0	1,262
290554	2	92,596	1,392	2	746	1,492	0	0	2,884
290554	3	62,100	933	0	863	0	6	662	1,596
290559	1	53,364	802	1	746	746	0	0	1,548
290570	2	105,026	1,579	2	746	1,492	0	0	3,071
290583	1	63,982	962	1	746	746	0	0	1,708
300585	1	43,552	655	1	1,071	1,071	0	0	1,726
300586	1	60,300	906	1	1,071	1,071	0	0	1,977
300588	1	57,500	864	1	774	774	0	0	1,638
300589	1	37,770	568	1	687	687	0	0	1,255
300590	2	130,183	1,957	2	1,071	2,142	0	0	4,099
300591	1	38,900	585	1	774	774	0	0	1,358
300604	1	56,200	845	1	774	774	0	0	1,618
300609	1	56,464	849	1	687	687	0	0	1,536
300614	1	45,846	689	1	1,071	1,071	0	0	1,760
300618	1	71,476	1,074	1	1,487	1,487	0	0	2,561
300619	1	54,800	824	1	1,071	1,071	0	0	1,895
300625	1	53,600	806	1	1,071	1,071	0	0	1,877

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
300633	1	45,846	689	1	1,071	1,071	0	0	1,760
300634	1	59,592	896	1	854	854	0	0	1,750
300639	1	57,500	864	1	774	774	0	0	1,638
300650	1	85,574	1,286	1	1,071	1,071	0	0	2,357
300651	1	53,803	809	1	854	854	0	0	1,663
300654	1	32,770	493	1	1,071	1,071	0	0	1,564
300656	1	42,000	631	1	1,071	1,071	0	0	1,702
300659	1	50,039	752	1	1,071	1,071	0	0	1,823
300663	1	54,556	820	1	1,071	1,071	0	0	1,891
300664	1	53,346	802	1	1,071	1,071	0	0	1,873
310669	1	80,751	1,214	1	687	687	0	0	1,901
310676	3	117,800	1,771	3	687	2,062	4	442	4,274
310678	1	63,121	949	1	687	687	0	0	1,636
310688	1	72,928	1,096	1	687	687	0	0	1,783
310692	1	10,728	161	1	687	687	0	0	849
310694	1	18,270	275	1	687	687	0	0	962
310703	1	91,124	1,370	1	687	687	0	0	2,057
310725	1	14,229	214	1	687	687	0	0	901
310735	1	13,556	204	1	687	687	0	0	891
320744	1	53,364	802	1	687	687	0	0	1,489
320750	1	34,912	525	1	687	687	0	0	1,212
320751	2	57,853	870	2	854	1,709	0	0	2,578
320756	1	37,800	568	1	854	854	0	0	1,422
320771	1	30,344	456	1	687	687	0	0	1,143
320778	1	87,760	1,319	1	687	687	0	0	2,006
320790	1	40,516	609	1	774	774	0	0	1,383
320792	1	54,900	825	1	687	687	0	0	1,512
320796	1	32,388	487	1	687	687	0	0	1,174
320809	1	74,137	1,114	1	687	687	0	0	1,802
320816	1	42,000	631	1	687	687	0	0	1,319
320818	3	160,093	2,406	3	687	2,062	2	221	4,689

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
320818	3	160,093	2,406	0	863	0	6	662	3,069
320827	1	125,961	1,893	1	687	687	0	0	2,580
320829	1	114,910	1,727	1	687	687	0	0	2,414
320830	1	52,380	787	1	687	687	0	0	1,475
320830	3	169,876	2,553	0	863	0	6	662	3,216
320834	1	57,784	868	1	746	746	0	0	1,614
320837	1	34,041	512	0	687	0	2	221	732
320839	1	57,500	864	0	774	0	2	221	1,085
330842	1	53,364	802	1	687	687	0	0	1,489
330843	1	26,478	398	1	687	687	0	0	1,085
330846	1	76,061	1,143	1	687	687	0	0	1,830
330849	1	20,995	316	1	687	687	0	0	1,003
330850	1	55,674	837	1	687	687	0	0	1,524
330851	1	52,440	788	1	687	687	0	0	1,475
330856	1	53,364	802	1	687	687	0	0	1,489
330863	1	54,831	824	1	687	687	0	0	1,511
330863	1	27,904	419	0	863	0	2	221	640
330866	1	42,000	631	1	687	687	0	0	1,319
330868	1	45,667	686	1	687	687	0	0	1,374
330868	2	59,333	892	0	863	0	4	442	1,333
330872	1	33,416	502	1	687	687	0	0	1,190
330879	1	42,000	631	1	687	687	0	0	1,319
330880	1	42,272	635	1	687	687	0	0	1,323
330881	1	60,782	914	1	687	687	0	0	1,601
330881	1	42,706	642	0	863	0	2	221	863
330892	1	35,874	539	0	687	0	2	221	760
330896	1	42,000	631	1	687	687	0	0	1,319
330899	2	100,078	1,504	0	863	0	4	442	1,946
330902	1	42,000	631	1	687	687	0	0	1,319
330905	1	69,758	1,048	1	687	687	0	0	1,736
330914	1	53,364	802	1	687	687	0	0	1,489

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
330915	1	45,000	676	1	687	687	0	0	1,364
330925	1	86,213	1,296	1	687	687	0	0	1,983
330930	1	53,364	802	1	687	687	0	0	1,489
330938	1	75,265	1,131	1	687	687	0	0	1,819
330938	2	58,353	877	0	863	0	4	442	1,319
330942	1	42,290	636	1	687	687	0	0	1,323
330942	4	91,320	1,373	0	863	0	8	883	2,256
330943	2	106,729	1,604	2	687	1,375	0	0	2,979
330945	1	53,364	802	1	687	687	0	0	1,489
330946	1	41,596	625	1	687	687	0	0	1,312
330949	1	20,700	311	1	687	687	0	0	998
330951	1	64,416	968	1	687	687	0	0	1,655
330955	1	83,584	1,256	1	687	687	0	0	1,944
330960	1	112,910	1,697	1	687	687	0	0	2,384
330962	3	143,070	2,150	1	687	687	4	442	3,279
330962	1	2,996	45	1	863	863	0	0	908
330966	1	112,072	1,684	1	687	687	0	0	2,372
330967	1	61,247	921	1	687	687	0	0	1,608
330968	1	74,137	1,114	1	687	687	0	0	1,802
340976	1	67,128	1,009	1	1,487	1,487	0	0	2,496
340983	2	41,400	622	0	863	0	4	442	1,064
340993	1	42,414	637	0	854	0	2	221	858
340998	1	29,095	437	1	1,487	1,487	0	0	1,924
341016	1	107,600	1,617	1	1,487	1,487	0	0	3,104
341016	2	41,400	622	0	863	0	4	442	1,064
341017	1	21,294	320	1	687	687	0	0	1,007
341024	1	42,000	631	1	854	854	0	0	1,486
341029	2	41,400	622	0	863	0	4	442	1,064
341041	1	45,969	691	0	0	0	0	0	691
341050	1	94,594	1,422	1	1,487	1,487	0	0	2,908
341053	2	54,175	814	2	1,487	2,973	0	0	3,787

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
341054	2	25,342	381	2	687	1,375	0	0	1,755
341062	1	41,687	627	0	687	0	2	221	847
341075	1	38,900	585	1	755	755	0	0	1,340
341086	1	42,000	631	1	687	687	0	0	1,319
341087	1	38,900	585	1	755	755	0	0	1,340
351097	1	50,039	752	1	897	897	0	0	1,649
351098	1	37,770	568	1	897	897	0	0	1,464
351101	1	47,956	721	1	897	897	0	0	1,618
351112	3	105,692	1,589	2	897	1,793	2	221	3,603
351113	1	37,770	568	1	897	897	0	0	1,464
351114	1	36,770	553	0	863	0	2	221	773
351115	1	118,892	1,787	1	897	897	0	0	2,684
351115	2	73,018	1,097	0	863	0	4	442	1,539
351118	2	71,388	1,073	2	897	1,793	0	0	2,866
351119	1	40,270	605	0	897	0	2	221	826
351125	1	14,605	220	1	897	897	0	0	1,116
351130	1	37,496	564	1	897	897	0	0	1,460
351133	4	72,131	1,084	4	897	3,587	0	0	4,671
351136	1	28,500	428	1	897	897	0	0	1,325
351137	2	79,540	1,195	2	897	1,793	0	0	2,989
351139	1	38,900	585	1	897	897	0	0	1,481
351141	1	30,000	451	1	897	897	0	0	1,348
351146	1	52,440	788	1	897	897	0	0	1,685
351147	1	53,000	797	1	897	897	0	0	1,693
351149	1	56,319	846	1	897	897	0	0	1,743
351150	1	79,016	1,188	1	863	863	0	0	2,050
351152	1	39,993	601	1	897	897	0	0	1,498
351153	1	37,770	568	1	755	755	0	0	1,323
351157	1	60,270	906	1	897	897	0	0	1,803
351160	1	20,704	311	1	897	897	0	0	1,208
351162	2	69,040	1,038	2	897	1,793	0	0	2,831

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
351166	1	52,063	783	1	897	897	0	0	1,679
351168	7	107,661	1,618	7	897	6,277	0	0	7,895
351169	1	31,253	470	1	897	897	0	0	1,366
351171	1	93,049	1,399	1	863	863	0	0	2,261
351172	1	67,931	1,021	1	897	897	0	0	1,918
351172	3	111,700	1,679	0	863	0	6	662	2,341
351173	1	28,373	426	1	897	897	0	0	1,323
351174	1	33,135	498	1	897	897	0	0	1,395
351174	1	33,135	498	0	863	0	2	221	719
351175	1	41,347	621	1	897	897	0	0	1,518
351176	1	60,102	903	1	897	897	0	0	1,800
351177	2	48,720	732	2	897	1,793	0	0	2,526
351179	1	41,770	628	0	897	0	2	221	849
351187	1	72,379	1,088	1	755	755	0	0	1,843
351188	1	41,596	625	1	897	897	0	0	1,522
351189	2	106,729	1,604	2	897	1,793	0	0	3,398
351191	1	53,364	802	1	897	897	0	0	1,699
351195	1	57,270	861	1	897	897	0	0	1,758
351195	3	78,810	1,185	0	863	0	6	662	1,847
351199	1	59,229	890	1	897	897	0	0	1,787
351202	1	97,907	1,472	1	897	897	0	0	2,368
351203	1	41,596	625	1	897	897	0	0	1,522
351205	1	42,000	631	1	897	897	0	0	1,528
351206	1	77,059	1,158	1	897	897	0	0	2,055
351206	1	40,419	607	0	863	0	2	221	828
351209	1	47,270	710	1	897	897	0	0	1,607
351209	2	28,540	429	0	863	0	4	442	871
351212	1	36,317	546	1	897	897	0	0	1,443
351217	1	33,400	502	1	897	897	0	0	1,399
351217	2	66,800	1,004	0	863	0	4	442	1,446
351220	1	48,231	725	1	897	897	0	0	1,622

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06
SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
351222	1	58,325	877	1	897	897	0	0	1,773
351225	1	66,233	995	1	897	897	0	0	1,892
351228	1	24,424	367	0	897	0	2	221	588
351230	1	74,957	1,127	1	897	897	0	0	2,023
351230	1	22,725	342	0	863	0	1	110	452
351235	1	5,492	83	1	897	897	0	0	979
351237	2	40,026	602	2	897	1,793	0	0	2,395
351237	2	28,981	436	0	863	0	4	442	877
351238	1	40,500	609	1	897	897	0	0	1,505
351239	1	26,293	395	1	897	897	0	0	1,292
351241	1	57,778	868	1	897	897	0	0	1,765
351242	1	65,509	985	1	897	897	0	0	1,881
351247	1	68,310	1,027	0	897	0	2	221	1,247
351248	1	42,000	631	1	897	897	0	0	1,528
351250	1	53,364	802	1	897	897	0	0	1,699
351251	1	81,366	1,223	1	897	897	0	0	2,120
351252	1	43,900	660	1	897	897	0	0	1,557
351257	1	37,770	568	1	897	897	0	0	1,464
351259	1	82,637	1,242	1	897	897	0	0	2,139
351259	5	43,495	654	0	863	0	10	1104	1,758
351260	1	125,826	1,891	1	897	897	0	0	2,788
351261	4	123,272	1,853	4	897	3,587	0	0	5,440
351262	1	42,000	631	0	897	0	2	221	852
351263	1	76,434	1,149	1	897	897	0	0	2,046
351264	1	45,846	689	1	897	897	0	0	1,586
351266	1	42,000	631	1	897	897	0	0	1,528
351269	1	14,580	219	1	897	897	0	0	1,116
351270	1	40,570	610	1	897	897	0	0	1,507
351271	1	41,596	625	1	897	897	0	0	1,522
351275	1	41,596	625	1	897	897	0	0	1,522
351276	1	53,364	802	1	897	897	0	0	1,699

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
351278	1	38,900	585	1	897	897	0	0	1,481
351280	1	41,596	625	1	897	897	0	0	1,522
351282	1	53,022	797	1	897	897	0	0	1,694
351283	1	72,936	1,096	1	897	897	0	0	1,993
351284	1	37,770	568	1	897	897	0	0	1,464
351285	2	69,540	1,045	2	863	1,725	0	0	2,770
351291	2	59,397	893	2	897	1,793	0	0	2,686
351292	1	66,270	996	1	897	897	0	0	1,893
351292	1	34,456	518	0	863	0	2	221	739
351293	1	43,608	655	1	897	897	0	0	1,552
351294	1	45,846	689	1	897	897	0	0	1,586
351297	2	129,160	1,941	2	897	1,793	0	0	3,735
351301	3	116,810	1,756	1	897	897	4	442	3,094
351302	1	59,018	887	1	897	897	0	0	1,784
351303	2	67,000	1,007	2	897	1,793	0	0	2,800
351304	1	53,364	802	1	897	897	0	0	1,699
351305	1	37,770	568	1	897	897	0	0	1,464
351306	1	60,200	905	1	897	897	0	0	1,802
351307	1	37,770	568	1	897	897	0	0	1,464
351308	1	50,039	752	1	897	897	0	0	1,649
351309	1	37,770	568	1	863	863	0	0	1,430
351310	1	37,770	568	1	897	897	0	0	1,464
351319	1	20,747	312	1	897	897	0	0	1,209
351324	1	42,000	631	1	755	755	0	0	1,386
351326	1	32,770	493	1	897	897	0	0	1,389
351328	2	204,136	3,068	2	755	1,510	0	0	4,579
351328	14	309,272	4,648	0	863	0	28	3091	7,739
351329	1	42,000	631	1	897	897	0	0	1,528
351331	1	62,028	932	1	897	897	0	0	1,829
351331	4	170,272	2,559	0	863	0	8	883	3,442
351332	1	61,637	926	1	897	897	0	0	1,823

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
351332	1	28,986	436	0	863	0	2	221	656
351334	1	163,733	2,461	1	897	897	0	0	3,358
351334	7	255,563	3,841	0	863	0	14	1545	5,387
351335	1	52,440	788	0	897	0	2	221	1,009
351336	1	52,500	789	1	897	897	0	0	1,686
351337	2	146,615	2,204	2	897	1,793	2	221	4,218
351337	12	400,800	6,024	0	863	0	24	2649	8,673
351342	1	32,770	493	1	897	897	0	0	1,389
351343	1	42,846	644	1	897	897	0	0	1,541
351344	3	124,788	1,876	2	897	1,793	2	221	3,890
351405	1	30,757	462	0	897	0	2	221	683
361337	3	100,200	1,506	0	863	0	6	662	2,168
361347	1	40,783	613	1	897	897	0	0	1,510
361353	1	38,900	585	1	897	897	0	0	1,481
361356	1	54,413	818	1	755	755	0	0	1,573
361358	1	70,000	1,052	1	897	897	0	0	1,949
361358	1	50,039	752	0	863	0	2	221	973
361362	1	52,440	788	1	897	897	0	0	1,685
361372	1	34,939	525	0	863	0	2	221	746
361373	1	53,364	802	1	897	897	0	0	1,699
361381	1	16,941	255	1	897	897	0	0	1,151
361389	1	91,202	1,371	1	897	897	0	0	2,267
361390	1	45,846	689	1	897	897	0	0	1,586
361396	1	62,394	938	1	897	897	0	0	1,835
361401	1	53,052	797	1	897	897	0	0	1,694
361401	1	34,849	524	0	863	0	2	221	745
361404	1	36,603	550	1	897	897	0	0	1,447
361408	1	91,088	1,369	1	897	897	0	0	2,266
361409	1	113,905	1,712	1	897	897	0	0	2,609
361419	1	21,610	325	1	755	755	0	0	1,080
361422	1	47,820	719	1	897	897	0	0	1,615

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
361424	1	45,000	676	1	755	755	0	0	1,432
361425	1	77,444	1,164	1	897	897	0	0	2,061
361426	1	76,668	1,152	1	897	897	0	0	2,049
361430	1	42,000	631	0	863	0	2	221	852
361431	1	42,000	631	1	897	897	0	0	1,528
361439	1	103,319	1,553	1	897	897	0	0	2,450
361440	2	23,873	359	2	897	1,793	0	0	2,152
361443	1	71,877	1,080	1	897	897	0	0	1,977
361443	1	23,729	357	0	863	0	2	221	577
361450	1	66,294	996	1	897	897	0	0	1,893
361472	2	232,585	3,496	2	755	1,510	0	0	5,006
361472	7	240,758	3,619	0	863	0	14	1545	5,164
361474	1	57,500	864	1	897	897	0	0	1,761
361475	1	42,000	631	1	897	897	0	0	1,528
361479	1	60,315	907	1	755	755	0	0	1,662
361482	1	29,621	445	1	897	897	0	0	1,342
361482	2	42,903	645	0	863	0	4	442	1,086
361485	1	79,196	1,190	1	755	755	0	0	1,946
361494	1	53,364	802	1	897	897	0	0	1,699
361499	1	42,000	631	1	897	897	0	0	1,528
361505	2	75,870	1,140	2	897	1,793	2	221	3,155
361505	2	10,878	163	0	863	0	4	442	605
361508	1	52,848	794	0	863	0	2	221	1,015
361512	1	53,364	802	1	755	755	0	0	1,557
361654	2	36,374	547	0	863	0	4	442	988
371530	1	28,500	428	1	755	755	0	0	1,184
371530	4	114,000	1,713	0	863	0	8	883	2,597
371532	1	28,500	428	1	755	755	0	0	1,184
371532	13	370,500	5,569	0	863	0	26	2870	8,439
371556	1	49,329	741	0	755	0	2	221	962
371561	1	37,770	568	0	755	0	0	0	568

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area Code	SSPs	Capital Investment Cost	Monthly Investment Cost	A-Link Pairs	Interstate A-Link Rate	Monthly A-Link Cost	CP Data Links	Monthly CP Data Link Cost	Total Monthly Cost
371562	3	86,405	1,299	3	755	2,266	0	0	3,564
371565	1	63,906	961	1	755	755	0	0	1,716
371581	1	29,000	436	1	755	755	0	0	1,191
371581	1	18,000	271	0	863	0	2	221	491
371582	1	37,980	571	0	755	0	2	221	792
381509	1	53,364	802	1	897	897	0	0	1,699
381601	1	36,770	553	0	897	0	2	221	773
381615	2	74,078	1,113	1	755	755	2	221	2,089
381622	2	69,540	1,045	0	755	0	4	442	1,487
381623	1	28,500	428	1	755	755	0	0	1,184
381625	1	76,030	1,143	1	755	755	0	0	1,898
381631	1	33,400	502	1	897	897	0	0	1,399
381638	2	69,720	1,048	2	755	1,510	0	0	2,558
391640	3	68,040	1,023	3	755	2,266	0	0	3,288
391642	1	44,633	671	1	897	897	2	221	1,788
391642	2	14,930	224	0	621	0	4	442	666
391642	1	38,900	585	0	863	0	0	0	585
391649	1	55,300	831	1	755	755	0	0	1,586
391650	1	472,306	7,099	1	621	621	0	0	7,719
391654	1	106,162	1,596	1	897	897	1	110	2,603
391654	2	9,984	150	0	621	0	4	442	592
391654	3	65,855	990	0	863	0	5	552	1,542
391657	2	61,732	928	2	897	1,793	2	221	2,942
391657	2	60,939	916	2	621	1,241	0	0	2,157
391664	1	79,870	1,200	1	621	621	0	0	1,821
391669	1	94,229	1,416	1	897	897	0	0	2,313
391669	2	106,729	1,604	2	621	1,241	0	0	2,845
391669	3	35,985	541	0	863	0	6	662	1,203
391674	1	53,107	798	1	755	755	0	0	1,553
391674	1	19,649	295	0	863	0	2	221	516
391677	2	93,870	1,411	1	897	897	2	221	2,528

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITH FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F)	(G) = (E) X (F)	(H)	(I) = (H) x \$110.39	(J) = (D) + (G) + (I)
Study Area <u>Code</u>	<u>SSPs</u>	Capital Investment <u>Cost</u>	Monthly Investment <u>Cost</u>	A-Link Pairs <u>Pairs</u>	Interstate A-Link Rate <u>Rate</u>	Monthly A-Link Cost <u>Cost</u>	CP Data Links <u>Links</u>	Monthly CP Data Link Cost <u>Link Cost</u>	Total Monthly Cost <u>Cost</u>
391684	1	28,500	428	0	863	0	2	221	649
391688	1	53,364	802	1	755	755	0	0	1,557
401712	1	131,833	1,981	1	899	899	0	0	2,881
401712	7	122,738	1,845	0	863	0	14	1545	3,390
401722	1	121,279	1,823	1	899	899	0	0	2,722
421206	4	143,730	2,160	0	897	0	8	883	3,043
421860	1	32,770	493	1	735	735	0	0	1,228
421876	1	37,770	568	1	899	899	0	0	1,467
421893	1	27,770	417	1	899	899	0	0	1,317
421932	1	45,094	678	1	897	897	0	0	1,574
421936	1	86,362	1,298	1	708	708	0	0	2,007
421942	1	48,300	726	1	897	897	0	0	1,623
431704	1	60,132	904	1	899	899	0	0	1,803
431968	1	85,780	1,289	1	1,487	1,487	0	0	2,776
432141	1	69,500	1,045	1	899	899	0	0	1,944
442107	1	68,800	1,034	1	899	899	0	0	1,934
462198	1	25,484	383	1	755	755	0	0	1,138
472227	1	40,854	614	0	0	0	0	0	614
482252	1	57,500	864	1	755	755	0	0	1,619
502282	1	68,951	1,036	1	755	755	0	0	1,792
522430	1	9,800	147	1	1,219	1,219	0	0	1,366
532386	<u>1</u>	73,174	1,100	1	1,230	1,230	0	0	<u>2,330</u>
	621								824,121

APPENDIX G

2006 MODIFICATIONS OF AVERAGE SCHEDULES FOR 7/1/06 SS7 COSTS WITHOUT FULL CONNECTIVITY

(A)	(B)	(C)	(D) = (C) x 0.01503	(E)	(F) = (E) x \$110.39	(G) = (D) + (F)
Study Area <u>Code</u>	<u>SSPs</u>	Capital Investment <u>Cost</u>	Monthly Investment <u>Cost</u>	CP Data <u>Links</u>	Monthly CP Data <u>Link Cost</u>	Total Monthly <u>Cost</u>
230505	1	85,400	1,284	0	0	1,284
310675	2	92,800	1,395	0	0	1,395
320826	1	37,770	568	0	0	568
371590	1	37,770	568	0	0	568
421759	1	49,950	751	0	0	751
442038	<u>1</u>	53,364	802	0	0	<u>802</u>
	7					5,367

APPENDIX H

2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
100005	COBBOSSEECONTEE TEL. CO.
100015	COMMUNITY SERVICE TEL. CO.
100019	OXFORD COUNTY TEL. & TELE. CO.
100020	PINE TREE TEL. & TELE. CO.
100022	SACO RIVER TEL. & TELE. CO.
120042	DIXVILLE TEL. CO.
120043	DUNBARTON TEL. CO.
132454	THE WOODBURY TEL. CO.
140053	FRANKLIN TEL. CO.-VT
140064	SHOREHAM TEL. CO., INC.
150076	CASSADAGA TEL. CORP.
150088	DELHI TELEPHONE COMPANY
150112	ONTARIO TELEPHONE COMPANY, INC.
150125	STATE TEL. CO.
170145	THE BENTLEYVILLE TEL. CO.
170151	BUFFALO VALLEY TEL. CO.
170156	CITIZENS TEL. CO. OF KECKSBURG
170161	COMMONWEALTH TELEPHONE COMPANY
170162	THE CONESTOGA TEL. AND TEL. CO.
170165	DENVER AND EPHRATA TEL. & TEL. CO.
170171	HICKORY TEL. CO.
170175	IRONTON TEL. CO.
170179	LAUREL HIGHLAND TEL. CO.
170191	THE NORTH EASTERN PA. TEL. CO.
170193	NORTH PITTSBURGH TEL. CO.
170195	ARMSTRONG TEL. CO. NORTH
170196	PALMERTON TEL. CO.
170197	PENNSYLVANIA TEL. CO.
170200	PYMATUNING IND. TEL. CO.
170204	SOUTH CANAAN TEL. CO.
170210	VENUS TEL. CORP.
170215	YUKON-WALTZ TEL. CO.
170277	WEST SIDE TEL. CO.-PA
190219	BUGGS ISLAND TEL. COOP.
190220	BURKE'S GARDEN TEL. CO., INC.
190225	CITIZENS TEL. COOP.-VA
190226	NTELOS, INC.
190236	NORTH RIVER TEL. COOP.
190237	HIGHLAND TEL. COOP.-VA
190238	MGW TELEPHONE COMPANY, INC.
190239	NEW HOPE TELEPHONE COOPERATIVE
190243	PEMBROKE TEL. COOP.
190248	SCOTT COUNTY TEL. COOP. INC.
190250	SHENANDOAH TEL. CO.
190253	VIRGINIA TEL. CO.
200258	WAR ACQUISITION CORP. DBA WAR TELEPHONE CO.

APPENDIX H

2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
220324	VALLEY TELEPHONE CO., LLC
220364	GEORGIA TEL. CORP.
220375	NELSON-BALL GROUND TEL. CO.
220380	PROGRESSIVE RURAL TEL. COOP., INC.
220387	FRONTIER COMMUNICATIONS OF GEORGIA, LLC
220389	TRENTON TEL. CO.
220395	ACCUCOMM TELECOMMUNICATIONS, INC.
230478	ELLERBE TEL. CO.
230491	NORTH STATE TEL. CO.-NC dba NORTH STATE COMM.
230494	PINEVILLE TEL. CO.
230495	RANDOLPH TEL. CO.
230496	RANDOLPH TEL. MEMB. CORP.
230497	PIEDMONT TEL. MEMB. CORP.
230500	SERVICE TEL. CO.
230501	SKYLINE TEL. MEMB. CORP.
230503	SURRY TEL. MEMB. CORP.
230505	TRI-COUNTY TEL. MEMB. CORP.-NC
230511	YADKIN VALLEY TEL. MEMB. CORP.
240515	CHESNEE TEL. CO.
240516	CHESTER TEL. CO.-SC
240532	LOCKHART TEL. CO., INC.
240535	NORWAY TEL. CO., INC.
240536	PALMETTO RURAL TEL. COOP., INC.
240541	RIDGEWAY TEL. CO., INC.
240546	SANDHILL TEL. COOP., INC.
250283	BRINDLEE MOUNTAIN TEL. CO.
250285	CASTLEBERRY TEL. CO., INC.
250301	FRONTIER COMMUNICATIONS OF LAMAR COUNTY, LLC
250311	OAKMAN TEL. CO., INC.
250312	OTELCO TELEPHONE LLC
250322	UNION SPRINGS TEL. CO.
260396	BALLARD RURAL TEL. COOP. CORP., INC.
260398	BRANDENBURG TEL. CO., INC.
260408	GEARHEART COMM. DBA COALFIELDS TEL. CO.
260412	LEWISPORT TEL. CO., INC.
260414	MOUNTAIN RURAL TEL. COOP. CORP., INC.
260417	SALEM TEL. CO.
260419	THACKER/GRIGSBY TEL. CO., INC.
270428	DELCAMBRE TEL. CO.
280451	DECATUR TEL. CO., INC.-MS
280460	FRONTIER COMM. OF MISSISSIPPI, INC.
280467	SMITHVILLE TEL. CO.
287449	MYRTLE TEL. CO., INC.
290553	BEN LOMAND RURAL TEL. COOP., INC.
290554	BLED SOE TEL. COOP.
290559	CONCORD TEL. EXCHANGE, INC.

APPENDIX H

2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
290565	HIGHLAND TEL. COOP., INC.-TN
290570	LORETTO TEL. CO., INC.
290583	WEST TENNESSEE TEL. CO., INC.
290584	YORKVILLE TEL. COOP., INC.
300585	ARCADIA TEL. CO.
300586	THE ARTHUR MUTUAL TEL. CO.
300588	AYERSVILLE TEL. CO.
300589	BASCOM MUTUAL TEL. CO.
300590	BENTON RIDGE TEL. CO.
300591	BUCKLAND TELEPHONE COMPANY
300594	THE CHAMPAIGN TEL. CO.
300604	COLUMBUS GROVE TEL. CO.
300609	DOYLESTOWN TEL. CO.
300614	FORT JENNINGS TEL. CO.
300618	GERMANTOWN INDEPENDENT TEL. CO.
300619	GLANDORF TEL. CO., INC.
300625	KALIDA TEL. CO., INC.
300633	MIDDLE POINT HOME TEL. CO.
300634	MINFORD TEL. CO., INC.
300639	THE NEW KNOXVILLE TEL. CO.
300645	OAKWOOD TEL. CO.
300650	THE OTTOVILLE MUTUAL TEL. CO.
300651	PATTERSONVILLE TEL. CO.-OH
300654	RIDGEVILLE TEL. CO.
300656	SHERWOOD MUTUAL TEL. ASSOC.
300659	TELEPHONE SERVICE CO.
300662	VANLUE TEL. CO.
300663	VAUGHNSVILLE TEL. CO., INC.
300664	WABASH MUTUAL TEL. CO.
310669	ALLENDALE TEL. CO.
310675	BARAGA TEL. CO.
310676	BARRY COUNTY TEL. CO.
310678	BLANCHARD TEL. ASSOC., INC.
310688	CLIMAX TEL. CO.
310692	DRENTHE TEL. CO.
310694	FARMERS MUT. OF CHAPIN DBA CHAPIN TEL. CO.
310703	KALEVA TEL. CO.
310725	SAND CREEK TEL. CO.
310735	WESTPHALIA TEL. CO.
320744	CAMDEN TEL. CO., INC.-IN
320750	FRONTIER COMM. OF INDIANA, INC.
320751	CITIZENS TEL. CORP.-WARREN
320756	CRAIGVILLE TEL. CO., INC.
320771	GEETINGSVILLE TEL. CO., INC.
320777	HOME TEL. CO. OF PITTSBORO, INC.
320778	HOME TEL. CO., INC.

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2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
320790	MONON TEL. CO., INC.
320792	MULBERRY COOP. TEL. CO., INC.
320796	NEW LISBON TEL. CO., INC.
320809	COMM. CORP. OF SOUTHERN INDIANA
320816	S & W TEL. CO., INC.
320818	SMITHVILLE TEL. CO., INC.
320826	SWAYZEE TEL. CO., INC.
320827	SWEETSER RURAL TEL. CO., INC.
320829	TIPTON TEL. CO., INC.
320830	TRI-COUNTY TEL. CO., INC.-IN
320834	WASH. CTY. RURAL TEL. COOP., INC.
320837	WEST POINT TEL. CO., INC.
320839	YEOMAN TEL. CO., INC.
330842	AMERY TELCOM, INC.
330843	AMHERST TEL. CO.
330846	BALDWIN TELCOM., INC.
330847	BELMONT TEL. CO.
330848	BERGEN TEL. CO.
330849	BLACK EARTH TEL. CO.
330850	BLOOMER TEL. CO.
330851	BONDUEL TEL. CO.
330856	BURLINGTON BRIGHTON & WHEATLAND TEL.
330863	CITIZENS TEL. COOP., INC.-WI
330865	CLEAR LAKE TEL. CO., INC.-WI
330866	COCHRANE COOP. TEL. CO.
330868	COON VALLEY FARMERS TEL. CO., INC.
330872	CUBA CITY TEL. EXCH. CO.
330875	DICKEYVILLE TEL. CO.
330879	FARMERS IND. TEL. CO.-WI
330880	FARMERS TEL. CO.-WI
330881	MID-PLAINS TEL., INC.
330889	HAGER TELECOM, INC.
330892	HILLSBORO TEL. CO., INC.
330896	LAKEFIELD TEL. CO.
330899	LA VALLE TEL. COOP.
330900	LEMONWEIR VALLEY TEL. CO.
330902	LUCK TEL. CO.
330905	MANAWA TEL. CO.
330914	EASTCOAST TELECOM, INC.
330915	MOSINEE TEL. CO.
330925	BAYLAND TEL, INC.
330930	GRANTLAND TELECOM, INC.
330938	NORTHEAST TEL. CO.
330942	RICHLAND-GRANT TEL. COOP., INC.
330943	RIVERSIDE TELECOM, INC.
330944	FRONTIER COMM.-ST. CROIX LLC

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2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
330945	SCANDINAVIA TEL. CO.
330946	SHARON TEL. CO.
330949	SIREN TEL. CO., INC.
330951	SOMERSET TEL. CO., INC.
330955	STATE LONG DISTANCE TEL. CO.
330960	TRI-COUNTY TEL. COOP., INC.-WI
330962	UNION TEL. CO.
330966	VERNON TEL. COOP.
330967	FRONTIER COMM. OF VIROQUA LLC
330968	WAUNAKEE TEL. CO.
330970	CENTURYTEL OF THE MIDWEST-WI/WAYSIDE
330971	WEST WISCONSIN TELCOM COOP., INC.
340976	ADAMS TEL. COOP.
340983	CAMBRIDGE TEL. CO.-IL
340990	CLARKSVILLE MUTUAL TEL. CO.
340993	CROSSVILLE TEL. CO.
340998	FRONTIER COMM. OF DEPUE, INC.
341016	GENESEO TEL. CO.
341017	GLASFORD TEL. CO.
341021	THE GRANDVIEW MUTUAL TEL. CO.
341024	HAMILTON COUNTY TELEPHONE CO-OP
341029	HENRY COUNTY TEL. CO.
341041	KINSMAN MUTUAL TEL. CO.
341046	LEONORE MUTUAL TEL. CO.
341050	MARSEILLES TEL. CO. OF MARS.
341053	METAMORA TEL. CO.
341054	MID CENTURY TEL. COOP., INC.
341062	NEW WINDSOR TEL. CO.
341075	REYNOLDS TEL. CO.
341086	TONICA TEL. CO.
341087	VIOLA HOME TEL. CO.
341092	STELLE TEL. CO.
351097	ANDREW TEL. CO., INC.
351098	ARCADIA TEL. COOP.
351101	ATKINS TEL. CO.
351107	BALDWIN-NASHVILLE TEL. CO., INC.
351108	BARNES CITY COOP. TEL. CO.
351112	BREDA TEL. COOP.
351113	BROOKLYN MUTUAL TEL. CO.
351114	THE BURT TEL. CO.
351115	BUTLER-BREMER MUT. TEL. CO.
351118	CASCADE COMMUNICATIONS COMPANY
351119	CASEY MUTUAL TEL. CO.
351121	CENTER JUNCTION TEL. CO., INC.
351125	CENTRAL SCOTT TEL.
351126	CenturyTel of Chester, Inc.

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2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
351130	CLARENCE TEL. CO., INC.
351133	C-M-L TEL. COOP. ASSN.
351136	COON CREEK TEL. CO.
351137	COON VALLEY COOP. TEL. ASSN., INC.
351139	COOP. TEL. CO.
351141	CORN BELT TEL. CO.
351146	CUMBERLAND TEL. CO.
351147	DANVILLE MUT. TEL. CO.
351149	FARMERS MUTUAL COOPERATIVE TELEPHONE COMPANY
351150	DIXON TEL. CO.
351152	DUMONT TEL. CO.
351153	DUNKERTON TEL. COOP., INC.
351157	ELLSWORTH COOP. TEL. ASSN.
351160	FARMERS & BUSINESSMEN'S TEL. CO.
351162	FARMERS COOP. TEL. CO.-DYSART
351166	FARMERS & MERCHANTS MUTUAL TEL. CO.
351168	FARMERS MUTUAL COOP TEL CO- HARLAN
351169	FARMERS MUTUAL COOP. TEL. CO.-MOULTON
351171	FARMERS MUTUAL TEL. CO.-JESUP
351172	FARMERS MUTUAL TEL. CO.-NORA SPRINGS
351173	FARMERS MUTUAL TEL. COOP.-SHELLSBURG
351174	FARMERS MUTUAL TEL. CO.-STANTON
351175	FARMERS TEL. CO.-BATAVIA
351176	FARMERS TEL. CO.-ESSEX
351177	FARMERS TEL. CO.-RICEVILLE
351179	FENTON COOP. TEL. CO.
351187	PARTNER COMMUNICATIONS COOPERATIVE
351188	GOLDFIELD TEL. CO.
351189	RIVER VALLEY TELECOMMUNICATIONS COOP.
351191	GRAND MOUND COOP. TEL. ASSN.
351195	GRISWOLD COOP. TEL. CO.
351199	HAWKEYE TEL. CO.
351202	HOSPERS TEL. EXCHANGE, INC.
351203	HUBBARD COOP. TEL. ASSN.
351205	HUXLEY COMMUNICATIONS COOPERATIVE
351206	IAMO TEL. CO.-IA
351209	INTERSTATE 35 TEL. CO. DBA INTERSTATE COMM.
351212	JEFFERSON TEL. CO.-IA
351213	JORDAN SOLDIER VALLEY TELEPHONE COMPANY
351217	KEYSTONE FRMS. COOP. TEL. CO.
351220	LA PORTE CITY TEL. CO.
351222	LA MOTTE TEL. CO.
351223	LAUREL TEL. CO., INC.
351225	LEHIGH VALLEY COOP. TEL. ASSN.
351228	LONE ROCK COOP. TEL. CO.
351230	NORTHEAST IOWA TEL. CO.

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2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
351232	LYNNVILLE TELEPHONE COMPANY
351235	FARMERS MUTUAL COOPERATIVE TELEPHONE COMPANY
351237	MARNE & ELK HORN TEL. CO.
351238	MARTELLE COOP. TEL. ASSN.
351239	MASSENA TEL. CO.
351241	MECHANICSVILLE TEL. CO.
351242	MILES COOP. TEL. ASSN.
351243	MILLER TEL. CO.-IA
351245	MINBURN TEL. CO.
351246	MINERVA VALLEY TEL. CO., INC.
351247	MODERN COOP. TEL. CO.
351248	MONTEZUMA MUTUAL TEL. CO.
351250	MUTUAL TEL. CO. OF MORNING SUN
351251	MEDIAPOLIS TEL. CO.
351252	MUTUAL TEL. CO.
351257	NORTH ENGLISH COOP. TEL. CO.
351259	NORTHERN IOWA TEL. CO.
351260	NORTHWEST IOWA TEL. CO., INC.
351261	NORTHWEST TEL. COOP.
351262	COMMUNICATIONS 1 NETWORK, INC.
351263	OGDEN TEL. CO.-IA
351264	OLIN TEL. CO., INC.
351265	ONslow COOP. TEL. ASSN.
351266	ORAN MUTUAL TEL. CO.
351269	PALO COOP. TEL. ASSN.
351270	PALMER MUTUAL TEL. CO.
351271	PANORA COMMUNICATIONS COOPERATIVE
351273	PEOPLES TEL. CO.-IA
351274	CENTURYTEL OF POSTVILLE, INC.
351275	PRAIRIEBURG TEL. CO., INC.
351276	PRESTON TEL. CO.
351277	RADCLIFFE TEL. CO., INC.
351278	READLYN TEL. CO.
351280	RINGSTED TEL. CO.
351282	ROCKWELL COOP. TEL. ASSN.
351283	ROYAL TEL. CO.
351284	RUTHVEN TEL. EXCH. CO.
351285	SAC COUNTY MUTUAL TEL. CO.
351291	SCHALLER TEL. CO.
351292	SEARSBORO TEL. CO.
351293	SHARON TEL. CO.
351294	SCRANTON TEL. CO.
351295	SHELL ROCK TEL. CO.
351297	HEART OF IOWA COMMUNICATIONS COOP.
351298	SOUTH SLOPE COOP. TEL. CO.
351301	SOUTHWEST TEL. EXCH., INC.

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2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
351302	SPRINGVILLE COOP. TEL. ASSN.
351303	COOPERATIVE TEL. EXCHANGE
351304	SWISHER TEL. CO.
351305	STRATFORD MUTUAL TEL. CO.
351306	SULLY TEL. ASSOC.
351307	SUPERIOR TEL. COOP.
351308	TEMPLETON TEL. CO.
351309	TERRIL TELEPHONE COOPERATIVE
351310	TITONKA TEL. CO.
351319	VAN BUREN TEL. CO., INC.
351320	VAN HORNE COOP. TEL. CO.
351322	VENTURA TEL. CO., INC.
351324	VILLISCA FARMERS TEL. CO.
351326	WALNUT TEL. CO.
351328	WEBSTER-CALHOUN COOP. TEL. ASSN.
351329	WELLMAN COOP. TEL. ASSN.
351331	WEST IOWA TEL. CO.
351332	WEST LIBERTY TEL. CO.
351334	WESTERN IOWA TEL. ASSN.
351335	WESTSIDE INDP. TEL. CO.
351336	WILTON TEL. CO.
351337	WINNEBAGO COOP. TEL. ASSN.-IA
351342	WOOLSTOCK MUT. TEL. ASSN.
351343	WYOMING MUTUAL TEL. CO.
351344	PRAIRIE TEL. CO., INC.
351405	HILLS TEL. CO., INC.-IA
351407	KILLDUFF TELEPHONE COMPANY
351424	MABEL COOP. TEL. CO.-IA
361337	WINNEBAGO COOP. TEL. ASSN.-MN
361347	ALBANY MUTUAL TEL. ASSN., INC.
361348	WILDERNESS VALLEY TELEPHONE COMPANY, INC.
361353	CITY OF BARNESVILLE TEL. CO.
361356	BENTON COOP. TEL. CO.
361358	BLUE EARTH VALLEY TEL. CO.
361362	BRIDGEWATER TEL. CO.
361365	CALLAWAY TEL. CO.
361372	CLEMENTS TEL. CO.
361373	CONSOLIDATED TEL. CO.-MN
361375	MID-COMMUNICATIONS, INC. dba HICKORYTECH
361380	DELAVAN TEL. CO.
361381	DUNNELL TEL. CO., INC.
361384	EASTON TEL. CO.
361389	FARMERS MUTUAL TEL. CO.-BELLINGHAM
361390	FEDERATED TEL. COOP.
361396	GARDONVILLE COOP. TEL. ASSN.
361401	HALSTAD TEL. CO.

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2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
361403	FEDERATED UTILITIES, INC. DBA HANCOCK TEL. CO
361404	HARMONY TEL. CO.
361405	HILLS TEL. CO., INC.-MN
361408	HOME TEL. CO.-MN
361409	HUTCHINSON TELEPHONE COMPANY
361412	KASSON & MANTORVILLE TEL. CO.
361413	MID STATE TEL. CO. DBA KMP TEL. CO.
361419	LISMORE COOPERATIVE TELEPHONE CO.
361422	LONSDALE TELEPHONE COMPANY
361423	LOWRY TELEPHONE COMPANY, LLC
361424	MABEL COOPERATIVE TELEPHONE CO.- MN
361425	CHRISTENSEN COMM. CO. DBA MADELIA TEL. CO.
361426	MANCHESTER-HARTLAND TELEPHONE CO.
361427	MANKATO CITIZENS TELEPHONE CO dba HICKORYTECH
361430	MELROSE TELEPHONE COMPANY
361431	MIDWEST TEL. CO.
361437	MINNESOTA LAKE TELEPHONE COMPANY
361439	MINNESOTA VALLEY TEL. CO. INC.
361440	CANNON VALLEY TELECOM, INC.
361443	LORETEL SYSTEMS, INC.
361448	OSAKIS TELEPHONE COMPANY
361450	PARK REGION MUTUAL TEL. CO.
361472	REDWOOD COUNTY TEL. CO.
361474	ROTHSAY TELEPHONE COMPANY INC.
361475	RUNESTONE TEL. ASSN.
361476	SACRED HEART TEL. CO.
361479	SCOTT RICE TEL. CO. dba INTEGRA TELECOM
361482	SHERBURNE COUNTY RURAL TEL. CO.
361485	SPRING GROVE COOP TEL CO
361487	STARBUCK TEL. CO.
361494	UPSALA COOPERATIVE TELEPHONE ASSN.
361495	VALLEY TEL. CO.-MN
361499	CROSSLAKE TELEPHONE COMPANY
361500	NORTHERN TELEPHONE COMPANY OF MN
361502	WESTERN TELEPHONE COMPANY
361505	WIKSTROM TELEPHONE COMPANY INC.
361507	WINSTED TELEPHONE COMPANY
361508	WINTHROP TEL. CO.
361510	WOODSTOCK TELEPHONE COMPANY
361512	WOLVERTON TELEPHONE COMPANY
361515	ZUMBROTA TELEPHONE COMPANY
361654	INTERSTATE TELECOMMUNICATIONS COOP., INC.-MN
371530	CONSOLIDATED TELCO, INC.
371532	CONSOLIDATED TELEPHONE COMPANY- NE
371555	HAMILTON TELEPHONE COMPANY
371556	HARTINGTON TEL. CO.

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2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
371561	HERSHEY COOPERATIVE TELEPHONE CO
371562	CONSOLIDATED TELECOM, INC.
371563	HOOPER TELEPHONE COMPANY
371565	K & M TELEPHONE COMPANY INC.
371581	PIERCE TELEPHONE COMPANY
371582	PLAINVIEW TELEPHONE COMPANY INC.
371590	SODTOWN TEL. CO.
381509	WOLVERTON TEL. CO.
381601	ABSARAKA COOP TELEPHONE CO.
381614	POLAR TELECOMMUNICATIONS, INC.
381615	GRIGGS COUNTY TELEPHONE COMPANY
381622	MOORE & LIBERTY TELEPHONE COMPANY
381623	NOONAN FARMERS TELEPHONE COMPANY
381625	NORTHWEST COMMUNICATIONS COOPERATIVE
381631	RED RIVER RURAL TEL. ASSN.
381638	MIDSTATE COMMUNICATIONS INC.
383303	SRT COMMUNICATIONS, INC.
391405	HILLS TELEPHONE COMPANY, INC.-SD
391640	ARMOUR INDEPENDENT TELEPHONE CO.
391642	ALLIANCE COMMUNICATIONS COOP., INC. (BALTIC)
391649	BERESFORD MUNICIPAL TEL. CO.
391650	CITY OF BROOKINGS MUNICIPAL TEL. DEPT.
391653	CITY OF FAITH MUNICIPAL TEL CO
391654	INTERSTATE TELECOMMUNICATIONS COOP., INC.
391657	ALLIANCE COMMUNICATIONS COOP. INC (SPLITROCK)
391660	FORT RANDALL TEL. CO. DBA MT. RUSHMORE TEL CO
391664	JAMES VALLEY COOPERATIVE TEL CO
391669	MCCOOK COOPERATIVE TELEPHONE CO.
391671	WEST RIVER TELECOMMUNICATIONS COOP.(MOBRIDGE)
391674	ROBERTS COUNTY TEL. COOP. ASSN.
391677	SIOUX VALLEY TELEPHONE COMPANY
391682	TRI-COUNTY TELCOM, INC.
391684	UNION TELEPHONE COMPANY
391688	WESTERN TELEPHONE COMPANY
401704	LAVACA TELEPHONE-AR
401710	MAGAZINE TELEPHONE COMPANY
401712	MOUNTAIN VIEW TELEPHONE COMPANY
401722	E. RITTER TELEPHONE COMPANY
421206	IAMO TELEPHONE COMPANY - MO
421759	CRAW-KAN TELEPHONE COOP INC - MO
421860	ALMA COMMUNICATIONS COMPANY DBA ALMA TEL. CO.
421876	FARBER TELEPHONE COMPANY
421893	CHOCTAW TELEPHONE COMPANY
421900	KLM TEL. CO.
421932	LATHROP TELEPHONE COMPANY
421936	PEACE VALLEY TELEPHONE CO.

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2006 MODIFICATION OF AVERAGE SCHEDULES AVERAGE SCHEDULE STUDY AREA CODES AND NAMES

<u>Study Area Code</u>	<u>Study Area Name</u>
421942	ROCK PORT TEL. CO.
431704	LAVACA TELEPHONE CO.- OK
431968	BEGGS TELEPHONE COMPANY
432141	SANTA ROSA TELEPHONE COOP. INC.
442038	BLOSSOM TELEPHONE COMPANY
442043	NORTH TEXAS TELEPHONE COMPANY
442107	LIVINGSTON TELEPHONE COMPANY
462198	PINE DRIVE TEL. CO.
462206	STONEHAM COOPERATIVE TEL. CO.
462210	WILLARD TEL. CO.
472227	MUD LAKE TELEPHONE COOPERATIVE ASSN. INC.
482252	RONAN TEL. CO.
502279	GUNNISON TEL. CO.
502282	MANTI TELEPHONE COMPANY
502283	SKYLINE TELECOM
522430	MCDANIEL TELEPHONE COMPANY
532386	MT. ANGEL TELEPHONE COMPANY
532396	ST. PAUL COOP. TEL. ASSN.
532399	STAYTON COOP. TEL CO
613005	CIRCLE UTILITIES
613026	NORTH COUNTRY TELEPHONE COMPANY

APPENDIX I

2006 MODIFICATION OF AVERAGE SCHEDULES STUDY AREAS WITH LOW COST FACILITIES

<u>Study Area Code</u>	<u>Circuit Miles for Long Route Facilities</u>	<u>Monthly Cost of Long Route Facilities</u>
240535	36,072	\$1,205.64
351098	13,626	\$563.04
351101	14,168	\$877.26
351107	19,643	\$1,000.00
351112	6,737	\$400.00
351112	87,448	\$1,509.60
351113	24,048	\$620.16
351115	19,500	\$1,000.00
351115	66,960	\$3,893.25
351118	39,286	\$2,000.00
351129	57,946	\$1,403.52
351130	202,810	\$967.68
351133	18,551	\$440.64
351134	10,542	\$214.20
351136	18,036	\$642.60
351136	12,987	\$877.26
351141	13,626	\$263.16
351146	10,105	\$600.00
351146	32,952	\$350.88
351147	50,702	\$856.80
351152	109,200	\$1,800.00
351153	7,224	\$2,683.65
351157	27,082	\$241.92
351160	43,459	\$1,591.20
351162	28,336	\$1,754.51
351166	21,730	\$391.68
351168	49,962	\$964.92
351169	21,730	\$708.00
351171	12,040	\$3,893.25
351173	30,060	\$1,071.00
351173	56,672	\$3,509.03
351174	20,210	\$1,200.00
351174	32,952	\$391.68
351175	28,973	\$701.76
351176	24,714	\$361.08
351187	10,542	\$316.20
351188	60,120	\$1,774.80
351195	32,952	\$350.88
351199	11,700	\$600.00
351202	18,551	\$440.64
351203	27,082	\$241.92
351205	16,867	\$342.72
351206	41,190	\$673.20
351209	29,568	\$326.40
351217	18,036	\$642.60
351217	28,336	\$1,754.51
351220	41,313	\$2,480.43
351225	54,163	\$483.84
351230	109,200	\$1,800.00
351237	13,626	\$263.16
351238	15,714	\$800.00
351239	41,190	\$438.60
351241	31,428	\$1,600.00
351246	47,393	\$423.36
351248	36,072	\$599.76
351250	28,973	\$350.88
351251	79,675	\$964.92
351252	68,020	\$1,615.68
351259	61,836	\$1,468.80
351260	470,131	\$725.76
351261	23,218	\$399.84

APPENDIX I

2006 MODIFICATION OF AVERAGE SCHEDULES
STUDY AREAS WITH LOW COST FACILITIES

<u>Study Area Code</u>	<u>Circuit Miles for Long Route Facilities</u>	<u>Monthly Cost of Long Route Facilities</u>
351263	30,060	\$306.00
351266	13,392	\$778.65
351271	156,710	\$1,179.36
351275	11,786	\$600.00
351277	13,541	\$120.96
351278	40,176	\$2,335.95
351282	11,700	\$600.00
351285	33,581	\$991.44
351291	72,758	\$1,511.64
351292	132,264	\$1,481.76
351294	22,710	\$438.60
351297	420,840	\$4,354.56
351298	168,336	\$3,175.20
351301	172,998	\$2,056.32
351302	31,428	\$1,800.00
351303	27,082	\$241.92
351305	27,082	\$241.92
351306	202,406	\$3,214.08
351308	13,626	\$263.16
351319	43,459	\$1,346.40
351320	28,336	\$1,754.51
351324	10,105	\$600.00
351324	24,714	\$293.76
351326	24,714	\$250.92
351328	72,144	\$1,421.28
351331	55,652	\$1,321.92
351334	132,264	\$514.08
351335	9,084	\$175.44
351337	96,192	\$3,326.40
351342	12,024	\$228.48
351344	24,714	\$403.92
351405	55,652	\$1,321.92
361389	25,920	\$628.35
361390	220,320	\$2,643.00
361396	25,920	\$672.00
361403	12,960	\$370.40
361430	47,000	\$6,701.50
361448	25,308	\$2,135.83
361475	59,184	\$1,033.20
361499	63,822	\$1,871.83
361505	137,760	\$6,435.00
381625	59,755	\$6,693.12
381638	25,609	\$1,621.92
391649	47,576	\$4,611.00
391650	108,065	\$27,473.83
391653	17,045	\$3,074.00
391654	150,090	\$39,822.00
391669	66,040	\$15,200.67
391671	51,134	\$9,363.00
391674	42,025	\$10,900.00
391688	18,011	\$4,611.00
472227	367,871	\$1,178.63
Total:		\$248,519.11
Average:		\$0.03853